



# CURRENT HISTORY

Vol. XXVI

September, 1927

Number 6

## Relations Between the United States and Latin America Since 1898

By CHARLES WILSON HACKETT

PROFESSOR OF LATIN-AMERICAN HISTORY IN THE  
UNIVERSITY OF TEXAS

### 1—OUR POLICY IN SOUTH AMERICA

SINCE the close of the Spanish-American War the United States Government has had no single policy for the whole of Latin America. It has had, instead, distinctive sets of regional policies—one for the South American countries, another for the weak countries of the Caribbean area and another for Mexico. As regards its policies toward the South American countries, the United States Government has, since the independence of Panama in 1903, been content with endeavoring to allay the fears which those countries entertain of Yankee imperialism and hegemony, with promoting inter-American cooperation and friendship and with upholding mediation and arbitration as means of settling international disputes.

Some of the highest officials of the United States Government during the last two decades have persistently sought to convince Latin Americans in general and South Americans in particular that they have nothing to fear from their powerful northern neighbor. Concrete statements to this effect are contained in the well-known

address of Secretary of State Root in Rio de Janeiro on July 31, 1906, in President Wilson's statement of policy toward Latin America on March 12, 1913, in his Mobile address of Oct. 27, 1913, and in his message to Congress on Jan. 22, 1917, in President Harding's address at the unveiling of the monument to Bolívar on April 19, 1921, in two notable addresses by Secretary of State Hughes in 1923 on the Monroe Doctrine, and in a somewhat less positive manner in President Coolidge's address of welcome to the delegates of the Pan-American Congress of Journalists in Washington on April 8, 1926.

In promoting cooperation and friendship among the South American countries the United States Government since 1903 has played a commendable and active rôle. Of the four Pan-American conferences of the twentieth century, three have assembled in South American capitals. At all these conferences the delegates of the United States have cooperated whole-heartedly in the promotion of practical, while opposing political, Pan-Americanism. At the last



### SOUTH AMERICA'S 7,300,000 SQUARE MILES

With the exception of three colonies (British Guiana, Dutch Guiana and French Guiana) this vast continent is under the Government of republics, the largest being Brazil, with 3,275,510 square miles. The estimated total population of South America is over 70,000,000



conference at Santiago de Chile in 1923 the United States very generously agreed, in the interest of harmony, to two important changes in the organization of the Pan American Union, which are designed to make it more thoroughly international in character and more independent of the United States. In addition to the general Pan-American conferences, the United

the United States Senate in 1921 of the treaty by which the United States Government endeavored to right the wrong it had done to Colombia when Panama seceded in 1903 by paying her \$25,000,000 has justified President's Harding's prediction that it "would be very helpful \* \* \* in promoting our friendly relationships."

Arbitration and mediation have been con-



Map of Central America

States has participated in numerous special Pan-American congresses, the majority of which have also assembled in South America, thereby enabling the United States Government to demonstrate to the South Americans more concretely than to other Latin Americans its spirit of cooperation in Pan-American matters.

A very positive advance in Pan-American cooperation was made in 1915 when the representatives of five South American countries accepted the invitation of Secretary of State Lansing to help decide whether Villa or Carranza merited recognition as the head of the *de facto* Government of Mexico, the outcome being the recognition of the latter by the United States and eight associated Latin-American States. The ratification by

sistently upheld and endorsed by the United States Government in its relations with South American countries during the last quarter of a century. President Roosevelt in 1903 exerted sufficient pressure upon the German Kaiser to cause him to yield to the proposal to arbitrate a dispute concerning German claims against Venezuela that had led to a blockade of the Venezuela coast. In 1903 all pending claims of United States citizens against Venezuela were referred to a mixed Claims Commission for adjudication. Six years later certain claims arising out of the decision by the umpire of this commission were referred by the United States and Venezuela to the Permanent Court of Arbitration at The Hague.

Agreements for the arbitration of spe-

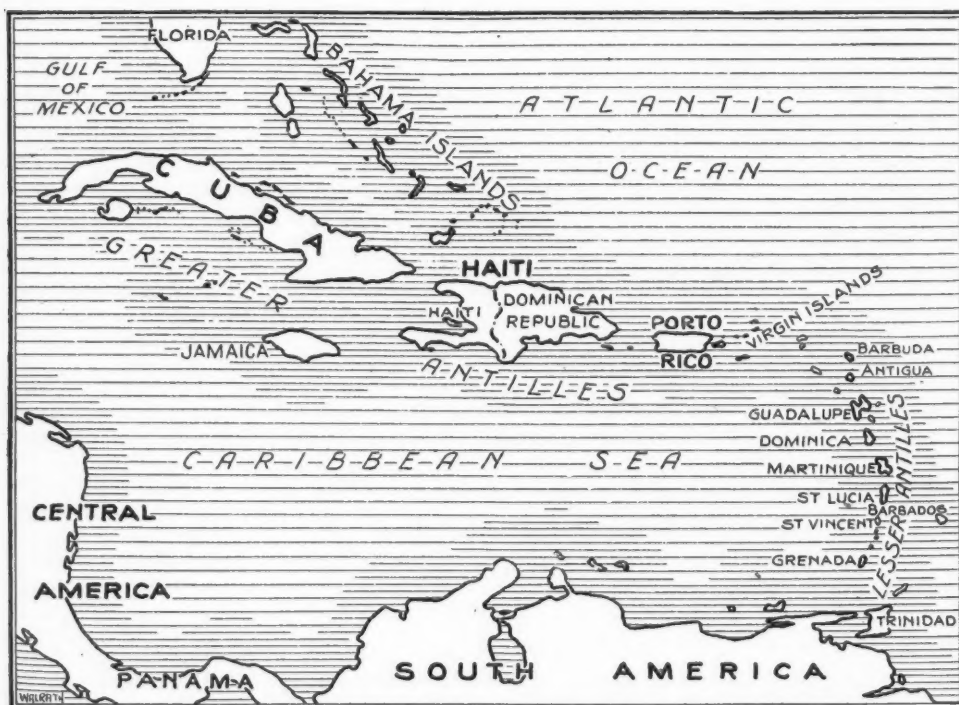
cific claims were made by the United States between 1898 and 1909 with Peru, Chile and Brazil. General arbitration conventions were signed with Peru in 1908 and with Ecuador, Uruguay, Brazil, Paraguay and Chile in 1909. In 1902 the United States and eight South American republics signed a treaty providing for the arbitration of pecuniary claims; in 1906 and again in 1909 similar conventions were signed by the United States and nine South American republics.

The United States cooperated with Argentina and Brazil in 1910 in diplomatic action that prevented a threatened war between Peru and Ecuador. The following year the United States received from Great Britain a favorable arbitral award in an important and extended controversy with Chile which had its origin in a breach of contract between Bolivia and an American corporation—the Alsop Company—doing business in what was originally Bolivian, but which later became Chilean, territory. During 1915 and 1916 the United States ratified treaties with seven South American republics which stipulated that disputes which cannot be settled by diplomacy shall be sub-

mitted to an international commission. In April of the following year, during the crisis in the dispute between President Wilson and President Huerta of Mexico, the United States Government promptly and gladly accepted the good offices and mediation of Argentina, Brazil and Chile.

Finally, the United States, in its efforts to bring about the settlement of disputes to which a South American nation was a party, has frequently mediated or played the rôle of arbitrator in these disputes. Secretary of State Hughes in 1924 mediated in the feud between Colombia and Panama, which dated back to the independence of Panama. As a result diplomatic relations between the two countries were established and a boundary convention between them was signed. The same year Peru and Ecuador submitted an old boundary dispute to the arbitration of the United States. The following year Brazil, Colombia and Peru accepted a solution of a boundary dispute which they had previously submitted to Secretary of State Hughes.

Especially significant have been the efforts of the United States to settle the long-standing Tacna-Arica dispute between Peru



The Caribbean Sea, where there are three republics—Cuba, Haiti and the Dominican Republic—and colonial possessions under the American, British and French flags



Map of Mexico, showing the States into which the republic is divided

and Chile. These efforts were begun in January, 1922, when Chile and Peru were invited to send delegates to Washington to settle, if possible, the dispute, and if not successful in this to arrange for its arbitration. The outcome was that on Jan. 16, 1923, the President of the United States was formally requested to serve as arbitrator of certain phases of the dispute. Over two years later, on March 4, 1925, President Coolidge handed down his award as arbitrator. This provided for the holding of a deferred plebiscite to determine the future ownership of Tacna and Arica and laid down the conditions for the holding of the plebiscite. The opening session of the Plebiscitary Commission, composed of one Chilean, one Peruvian and one American, was held in August, 1925. Soon afterward, however, hostile feeling between Chile and Peru began to impede the work of the commission and finally culminated in the abandonment of the plebiscite after a majority vote of the commission had placed the responsibility for this action upon Chile. Since then efforts of the United States to settle the dispute on other bases have proved futile. A recent investigator, Professor Graham Stuart of

Stanford University, has expressed surprise that the arbitrator ever decided that the deferred plebiscite was feasible. He is of the opinion that its abandonment "has been a blow to American prestige."

## 2.—CARIBBEAN POLITICAL AND FINANCIAL PROTECTORATES

The new interests which the United States acquired in the West Indies at the close of the Spanish-American War, the Panama Canal Treaty, the construction of the canal and the growth of American investments in the Caribbean area have been responsible for the policies of the United States toward that area being quite different from those which it has pursued toward the countries south of Panama. That the United States recognizes the necessity of a distinctive set of regional policies for the Caribbean area was admitted by Secretary of State Hughes in a public address on Aug. 30, 1923.

With four of the countries of the Caribbean area—Cuba, Panama, the Dominican Republic and Haiti—the United States Government has treaty arrangements that have given it considerable latitude in its recent relations with them. Two of these coun-





Keystone

MARCELLO DE ALVEAR  
President of Argentina

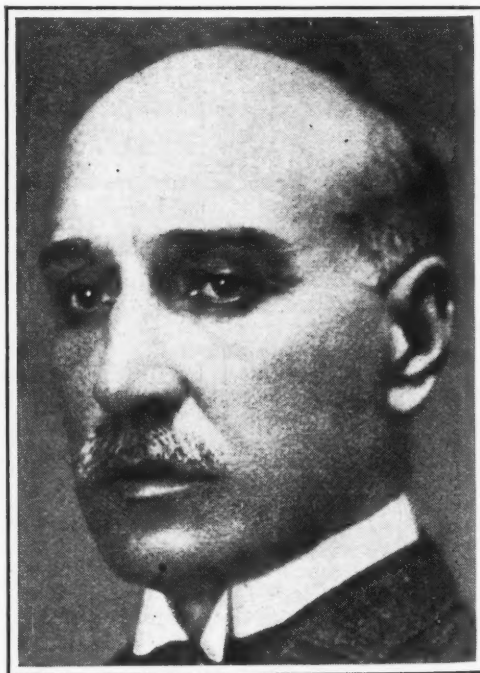
tries, Cuba and Panama, entered into such treaty agreements upon acquiring their independence.

Cuba was left in the military possession of the United States at the close of the Spanish-American War, and was permitted to govern herself only after agreeing in 1901 to certain conditions embodied in the Platt amendment. These conditions restricted the right of Cuba freely to make treaties or to contract debts; obliged her to continue the sanitary program begun during the military occupation by the United States and to grant to the United States coaling and naval stations; and authorized the United States Government to intervene in the island at its discretion "for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property and individual liberty," and for discharging certain obligations with respect to Cuba that were imposed by the Treaty of Paris on the United States.

Three outstanding incidents suffice to illustrate the effectiveness with which the Platt amendment has been applied. In the

latter part of 1906 the United States proclaimed a provisional Government in Cuba and maintained it in power until early in 1909. Secretary of State Lansing in 1917 warned rebellious Cuban Liberals that the United States would not recognize a Government set up by force; soon afterward 400 American marines landed at Santiago and assisted in the suppression of the rebellion. President Coolidge in 1924 materially aided the recognized Government of Cuba, then engaged in the suppression of internal disorders, by selling to it a considerable quantity of war materials and by maintaining an embargo of several months duration against the shipment of arms and munitions to the island. Notwithstanding the stabilizing effect upon Cuba of the Platt amendment the strength of nationalist and anti-American sentiment in the island was recognized by President Machado in May of this year when he admitted that on his recent visit to the United States he had proposed to the United States Government that there should be a further severance of the bonds that bind Cuba to the United States.

The treaty which Panama made with the



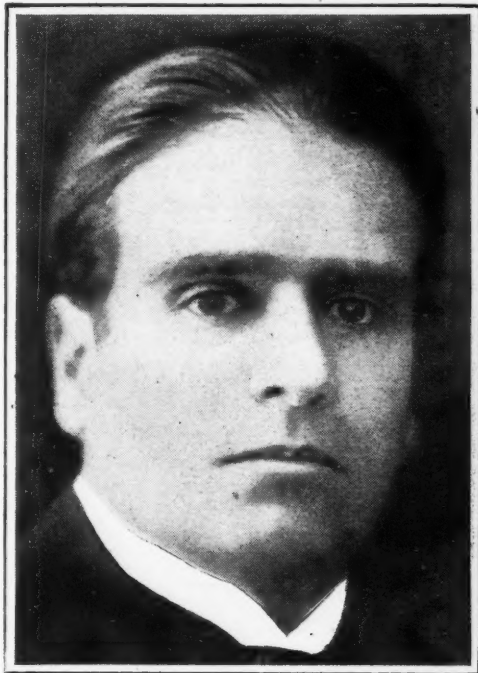
Kadel &amp; Herbert

JOSE SERRATO  
President of Uruguay



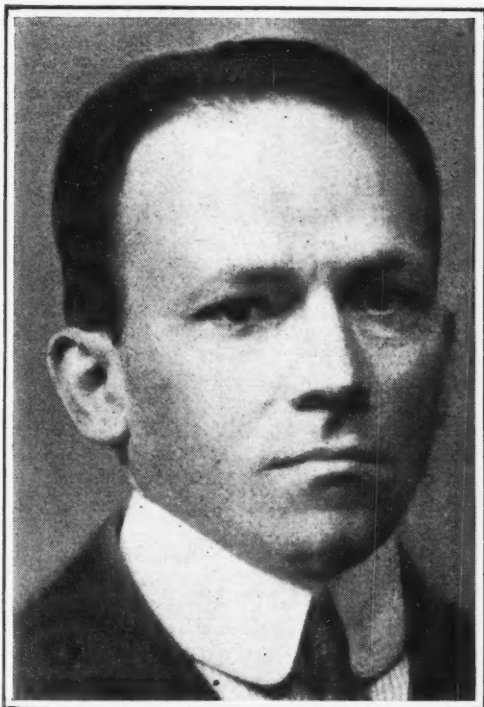
United States, upon acquiring independence in 1903, obliges the United States to maintain this independence. It also gives to the United States the police and sanitary control in the cities of Panama and Colón and authorizes the United States to use and occupy any lands and waters in the Republic of Panama that might be necessary for the construction, operation or protection of the canal. Thus Panama, while being recognized as a sovereign and independent State, has been since 1903 virtually a protectorate of the United States.

The right of the police and sanitary control outlined in the treaty of 1903 has been effectively and harmoniously exercised by the United States. Panama protested, however, when the United States took control of the island of Taboga, near the Pacific end of the canal. Panama also felt deeply aggrieved in 1921 when the United States forced her to accept an unfavorable arbitral award in a boundary dispute with Costa Rica. A new treaty between the United States and Panama was signed in July, 1926. Its most notable provision forces Panama to consider herself in a state of war "in case of any war in which the



HERNANDO SILES  
President of Bolivia

Keystone

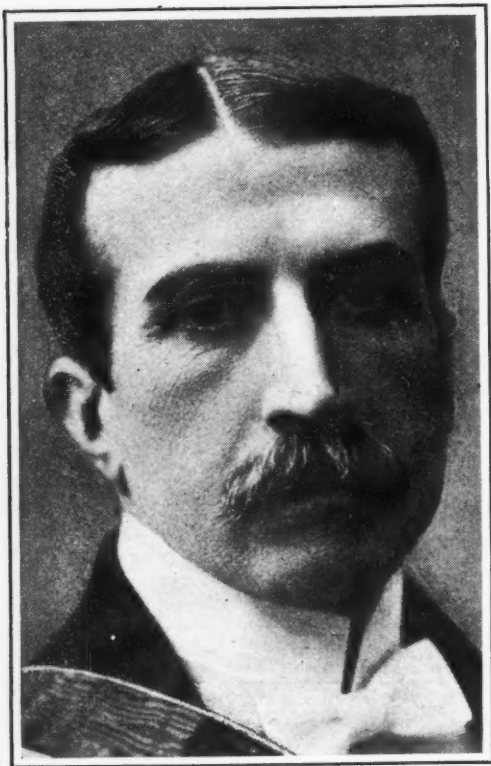


ELIGIO AYALA  
President of Paraguay

Keystone

United States should be a belligerent." Public sentiment in Panama has repudiated this treaty, with the result that early in 1927 further consideration of it was indefinitely postponed by the Panamanian Assembly. This action represents the climax to date of a spirit of opposition to the United States which has been developing in Panama since 1920.

Financial difficulties of the Dominican Republic and Haiti have resulted during the last two decades in treaty arrangements that have forced them into financial, and to a lesser degree, into the political receivership of the United States. President Roosevelt in 1905 resorted to an executive agreement by which the entire collection and the application on the foreign debt of 55 per cent. of the customs revenues of the Dominican Republic were assumed by the United States. Two years later this agreement was incorporated in a convention. This convention granted the United States no political rights in the Dominican Republic, but chronic internal disorders in that country prompted the United States to send commissions on three different occasions between 1912 and 1914 to endeavor to bring order out of chaos; on another occasion the



AUGUSTO B. LEGUÍA  
President of Peru

United States Minister mediated between rival political factions.

Internal conditions did not improve, and in 1916 United States Marines were landed to maintain order and to protect life and property. On Nov. 29 of that year, after the Dominican Government had refused to sign a new treaty which enlarged the powers of the United States, a proclamation was issued by United States naval officers which declared the Dominican Republic to be under the military administration of the United States. This military administration was maintained until 1924, although President Wilson in 1920, and President Harding in 1921, stipulated conditions for its termination which were unacceptable to the Dominicans. In 1924, after the Dominican Government had agreed to ratify all the financial acts of the American military administration and to sign a new treaty providing for the collection and disbursement of Dominican revenues by a United States Receiver General until all loans, including a new one not to exceed a total of \$25,000,000, shall have been paid, the

United States Marines were withdrawn. A Dominican Government headed by President Vásquez was installed on July 12, 1924, and with this Government the United States signed a treaty in December, 1924, which contains the demands exacted as a condition for the termination of the military administration. Thus the Dominican Republic regained its right of self-government; it still remains in the financial receivership of the United States.

Financial difficulties of the Haitian Government led the United States in 1914 to propose a convention similar to the 1907 convention with the Dominican Republic. This proposal was refused by the Haitian Government. The following year internal disorders in Haiti resulted in the landing of United States Marines and the taking over by the United States naval authorities of the Customs House and other public services at Port-au-Prince. On Sept. 16 of that year a treaty was signed which virtually established Haiti as a protectorate of the United States. The Haitian Senate was virtually coerced by United States naval authorities into ratifying this treaty on Nov. 11, 1915, and it is still in effect. Under its provisions there has been established a Haitian receivership of customs under the control of the United States; a United States financial adviser has assisted in fiscal, financial and commercial matters; all revolutionary forces have been disarmed and a native constabulary under the command of United States officers has been organized. Moreover, Haiti has guaranteed not to cede any of her territory to any nation other than the United States, and not to make any new loans or changes in her tariff without the consent of the United States. Thus Haiti, while remaining equally with the Dominican Republic in the financial receivership of the United States, is to a greater degree than its neighbor, a protectorate of the United States. The aim of the United States in her Haitian policy was declared by Secretary of State Hughes in 1923 to be none other than "to establish peace and stability."

### 3—SUPERVISION AND INTERVENTION IN CENTRAL AMERICA

The necessity of protecting the Panama Canal and the right which it has acquired to construct the Nicaragua Canal have caused the United States Government to feel a peculiar interest in and responsibility toward the five Central American republics north of Panama. This was admitted by President Coolidge on April 25, 1927, when

he said that toward those countries "we feel a moral responsibility that does not attach to other nations." This new interest and responsibility have constituted the justification of our Government in supervising and even in intervening at its discretion in the affairs of the Central American republics, despite the lack of treaty arrangements authorizing such action.

The policy of supervision and intervention in Central America is best exemplified in the relations of the United States with Nicaragua, but additional evidence is not lacking. In 1917, because the Tinoco Government in Costa Rica was disposed to grant oil concessions to British interests, the United States Government refrained from recognizing it, thereby hastening, if not assuring its downfall. The Acosta Government, which came into power in 1919, was promptly recognized by that of the United States after it had cancelled the objectionable British concessions.

El Salvador in October, 1923, negotiated a loan with New York bankers. An interchange of diplomatic notes between the Governments of El Salvador and the United States, with reference to the loan, resulted in El Salvador giving assurances that she would cooperate in every respect in carrying out the terms of the loan contract. The United States took cognizance of the terms of the loan contract, and under certain contingencies is to authorize the Secretary of State to carry out certain of its stipulations. Furthermore, matters in dispute concerning the loan contract are to be referred to the Chief Justice of the Supreme Court of the United States "for decision, and his decision shall be final and binding."

In 1924, during a revolution in Honduras, American warships were sent to both coasts of Honduras; marines were frequently landed to protect life and property and to maintain order, and neutral zones were established at various places, including Tegucigalpa, the capital.

The United States has supervised or intervened in Nicaraguan affairs almost constantly since 1909. In the latter year the United States lent its moral support to help overthrow the notorious Liberal President, Zelaya, and then materially aided the Conservatives by refusing to permit the Liberals to bombard a Caribbean port. With the newly established Conservative Government the United States in 1910 entered into an agreement which, in part, provided for the establishment of a Claims Commission, with two-thirds of its membership either nominated or appointed by the Government of the United States. The Conservatives

were in the minority in Nicaragua, and in 1911 the Conservative President, Adolfo Díaz, confessed his inability to insure "lasting and stable peace, order, economy, moderation and liberty." The following year, in response to a request of Díaz that the United States protect the lives and property of her nationals and extend this "protection to all the inhabitants of the republic," President Taft sent a detachment of marines to Nicaragua. The avowed purpose in doing this was "to keep open communications, and to protect American life and property," to discountenance "any revival of Zelayaism" and to lend the moral support of the United States "to the cause of legally constituted good government for the benefit of the people of Nicaragua." Marines subsequently were stationed at various places in Nicaragua and before the end of 1912 even engaged in hostilities against the enemies of Díaz. For thirteen years thereafter the Conservatives were maintained in power by United States naval forces.

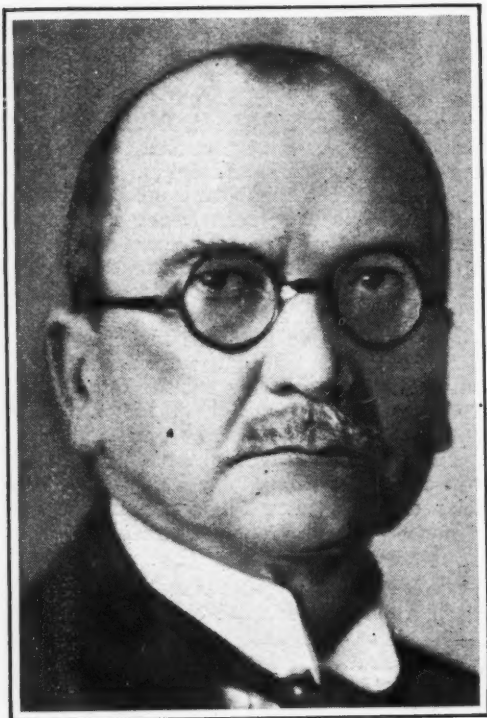
With a minority Conservative Government, thus protected by United States



ISIDRO AYORA  
President of Ecuador

Keystone





Wide World

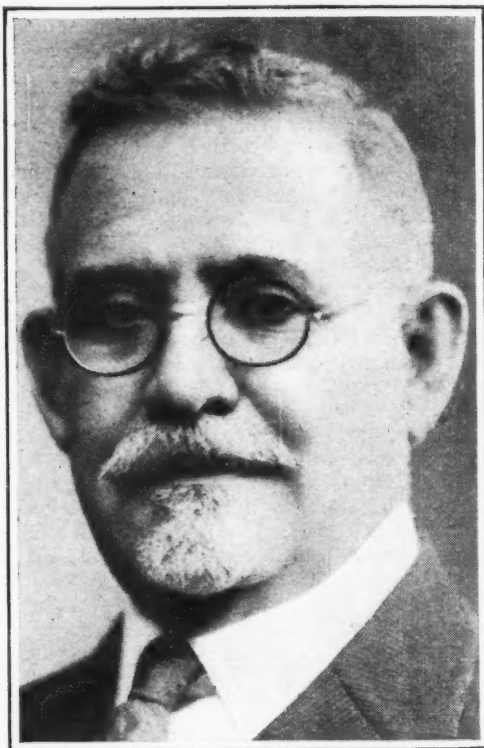
MIGUEL A. MENDEZ  
President of Colombia

marines, the United States in 1916 made the Bryan-Chamorro treaty. By this treaty Nicaragua, in return for \$3,000,000 to be spent under the supervision of the United States, granted to the United States the exclusive right to construct the Nicaragua Canal, a ninety-nine-year lease of the Corn Islands and the right to establish a naval base on the Gulf of Fonseca.

Free and general elections, supervised by United States electoral experts, were held in Nicaragua in 1924, and, as a result, a coalition Liberal Party came into power on Jan. 1, 1925. But the Liberals had rough sailing. In August, 1925, the marines were withdrawn, and less than three months later the Conservatives restored themselves to power by a *coup d'état*, engineered by General Chamorro. The Constitutional President was at first retained as a figure-head, but the Congress was illegally constituted when eighteen Liberal members were unseated and as many Conservatives seated in their stead. By this illegally constituted Congress the constitutional Vice President Sacasa was deposed and exiled in January,

1926—acts in themselves illegal because of the illegal character of the Congress itself—after which the resignation of the President was accepted. This cleared the way for the election of Chamorro, who remained in power until Oct. 30, 1926, despite the refusal of the United States and the other Central American Powers to recognize him. After Chamorro's resignation the eighteen ousted Liberal Congressmen were authorized to take their seats, although there appears to be some question as to whether they did so. At all odds, this Congress, recognizing as valid the resignation of the Constitutional President, but ignoring the fact that the Constitutional Vice President had been deposed by an illegally constituted Congress, chose Adolfo Díaz as President in November, 1926. Five days after his election Díaz appealed to the United States for aid against the rebellious Liberals, and two days later he was recognized as the Constitutional President of Nicaragua.

The narrative of events in Nicaragua during the past ten months need not be re-



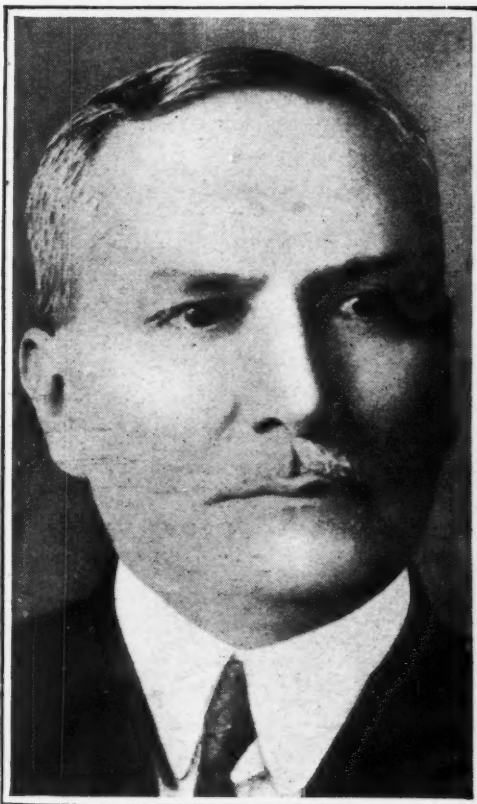
Wide World

HORACIO VASQUEZ  
President of the Dominican Republic

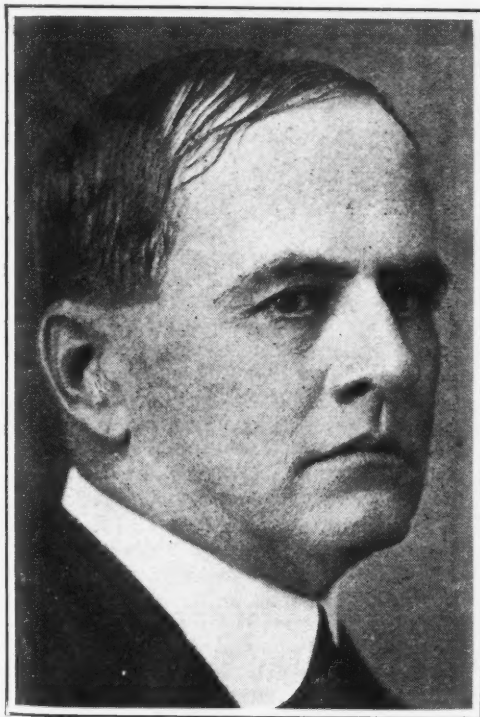


told here. Suffice it to say that by March of this year over 5,000 marines were either in Nicaragua or en route there and fourteen United States warships were in Nicaraguan waters. Díaz again has been maintained in power by armed forces of the United States, and one of the immutable bases for the negotiation of the recent agreement between Mr. Stimson, the personal representative of President Coolidge, and the Conservative and Liberal leaders of Nicaragua, was that Díaz should be retained as President until 1928, when regular elections will be held under the supervision of the United States. Furthermore, 1,500 marines are to be kept in Nicaragua for permanent duty.

The United States Government has frequently endeavored to promote among the Central American republics arbitration and inter-American cooperation, and to demonstrate its readiness to offer friendly counsel or mediation. Between 1900 and 1909 the United States entered into agreements for the arbitration of certain claims with Guatemala, Nicaragua, El Salvador and Costa Rica. In 1902 the United States and the five Central American republics signed a treaty providing for the arbitration of



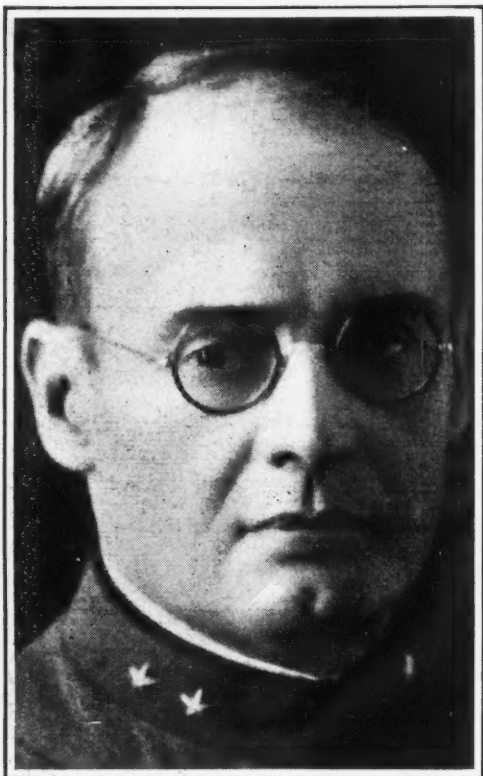
ADOLFO DIAZ  
President of Nicaragua



RODOLFO CHIARI  
President of Panama

pecuniary claims; in 1906 and again in 1909 similar conventions were entered into by the same signatories.

Mediation between Guatemala and El Salvador was effected in 1906 by President Roosevelt, in cooperation with President Díaz of Mexico; the outcome was a general treaty of peace and amity to which all of the five Central American republics except Nicaragua were signatories. The following year the good offices of the United States were three times proffered, twice in cooperation with Mexico, to the warring republics of Nicaragua, Honduras and El Salvador. The first proffer was refused. The outcome of the second proffer was a treaty of peace between El Salvador and Nicaragua. The outcome of the third proffer was the Central American Conference at Washington in 1907, at which the five Central American republics, Mexico and the United States were represented. The most significant achievement of this conference was the signing of a convention pro-



LAZARO CHACON  
President of Guatemala

viding for the establishment of a Central American Court of Justice. This arbitral court was formally installed on May 25, 1908, and functioned until March 17, 1918. Unfortunately, the occasion for its dissolution was the refusal of the United States and Nicaragua to accept its decision to the effect that Nicaragua in having signed the Bryan-Chamorro Treaty had violated a treaty of peace and amity signed at Washington in 1907, and also had violated certain rights of Costa Rica and El Salvador.

The United States continued after the Washington conferences of 1907 to favor the arbitration and mediation of Central American disputes. As a result of the friendly mediation of the United States, a convention for the arbitration of a boundary dispute between Panama and Costa Rica was signed at Washington on March 17, 1910. President Taft in 1911, at the request of President Davila of Honduras, intervened as arbitrator in a civil war; the outcome was the establishment of a provisional government and the restoration

of peace. Beginning in 1913 the United States signed treaties with all the Central American republics which stipulated that disputes which cannot be settled by diplomacy shall be submitted to an international commission. In 1922-1923, in response to an invitation extended by the United States, the second Central American Conference was held in Washington. This conference adopted twelve treaties and conventions, and three protocols. The United States participated in the conference, but could appropriately become a party to only the convention for the establishment of international commissions of inquiry.

The most significant achievement of this conference was the signing of a general treaty of peace and amity which provides that the Governments of the signatory States "will not recognize any other Government which may come into power in any of the republics through a *coup d'état* or a revolution against a recognized Government so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country." By this treaty the Harding Administration induced the Central American States to adhere to the Wilson policy, first applied in Mexico, of maintaining orderly constitutional Governments as opposed to revolutions and dictatorships.

Finally, in 1924, in response to the invitation of Secretary of State Hughes, the Governments of Costa Rica, El Salvador, Nicaragua and Guatemala participated with the United States in a conference at Amapala, Honduras, the object of which was to mediate between warring factions in that country. The outcome was the signing of a convention and the official restoration of peace on May 5, 1924.

#### 4.—CORDIAL RELATIONS WITH MEXICO, 1898-1910

Varying conditions in Mexico have made for varied relations between that country and the United States since 1898. In no period in the past, however, have the relations between the two countries been more cordial than from 1898 to 1910. During those years there was splendid cooperation between the two Governments for the elimination of the border problem which had many times endangered relations and had even threatened to provoke war between the two countries. In the same period four conventions concerning the water boundary between the two countries, two extradition treaties, and one convention providing for the equitable distribution of waters of the

Rio Grande for irrigation purposes, were signed.

The two Governments also had frequent recourse to arbitration. In 1902 they signed the protocol of an agreement by which the claim known as the Pious Fund of the Californias was settled by the Permanent Court at The Hague in 1904. Three treaties providing for the arbitration of pecuniary claims were signed by the United States and Mexico between 1902 and 1910, as were a general arbitration convention in 1908, and two years later, a convention and a supplementary protocol for the arbitration of the controversy over the ownership of a tract of land near El Paso, known as the Chamizal case. This question was submitted to a mixed commission in 1911, but the award was indecisive, and the question has frequently been the subject of diplomatic negotiation since 1911. The achievements of Presidents Roosevelt and Díaz in mediating between the warring Central American States in 1906 and 1907 have already been noted.

At the same time that relations between the Governments of the United States and Mexico were so extremely cordial, between 1898 and 1910, American investments in Mexico increased enormously. In the decade preceding 1912 approximately \$500,000,000 of American money was invested and in the latter year between 40,000 and 75,000 Americans were living in Mexico. The official and public opinion held of Mexico in the United States was well expressed by Secretary of State Root in 1907 when he said that the Government of Mexico had attained a "high standard of statesmanship. \* \* \* There has grown up and is continually developing between the people of the two countries a knowledge of each other, an appreciation of each other, a kindlier feeling toward each other."

##### 5.—RELATIONS WITH MEXICO DURING THE REVOLUTION, 1910-1917

During the revolution against Díaz (1910-1911), and the later turbulent administration of Madero (1911-1913), President Taft, while endeavoring to secure guarantees for the safety of American lives and property in Mexico, twice mobilized thousands of soldiers along the international frontier and also sent warships to Vera Cruz. In each instance Congressional and public opinion in the United States strongly opposed his apparent intervention program. President Taft turned over the unsolved Mexican problem to President Wilson on March 4, 1913—twelve days after the

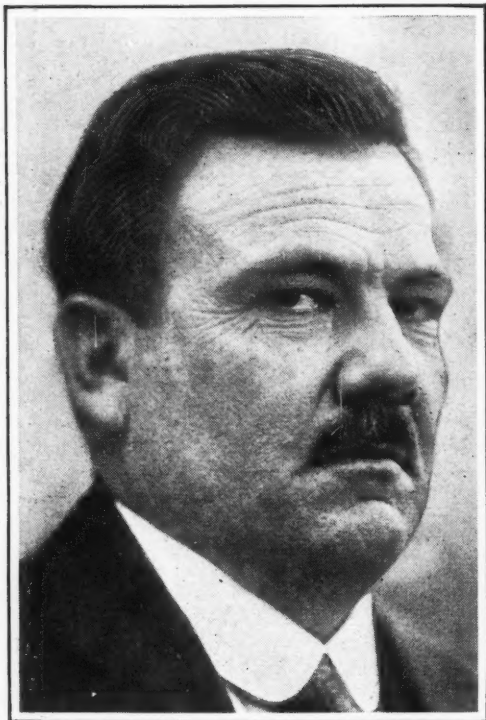
*coup d'état* of the reactionary Huerta, and ten days after the assassination of President Madero.

Wilson's policy toward the usurper Huerta evolved gradually. From the beginning he refused to recognize him on the grounds that he had obtained power "by treachery and violence." In the Summer of 1913 he intervened indirectly in Mexico when he sent John Lind to Mexico City with instructions looking toward the elimination of Huerta and the restoration of peace through a fair election. Lind's mission was a failure, but before the end of 1913, in three celebrated public utterances, Wilson made it clear that he did not intend to intervene with armed forces to oust Huerta, but that the entire moral force of his position would be put behind those in Mexico who were opposing Huerta. In keeping with this policy, Wilson early in 1914 placed an embargo upon the shipment of arms to Mexico. Soon afterward Huerta's hostile attitude and particularly his refusal to salute the American flag after it had been insulted at Tampico, induced Wilson to intervene with force in Mexico.



PIO ROMERO BOSQUE  
President of El Salvador





PLUTARCO ELIAS CALLES  
President of Mexico

The occupation of Vera Cruz and the interception of arms and munitions designed for Huerta followed, resulting in the severance of diplomatic relations, the mediation of the A B C Powers and the Niagara Falls conference. By this conference little was accomplished toward pacifying Mexico, but the successful mediation of the A B C Powers helped to dispel Latin American fear of the United States and prepared the way for Wilson, in due course, to withdraw gracefully the troops from Vera Cruz.

Out of the turmoil of civil war between the Liberal leaders that followed the overthrow of Huerta, Carranza emerged as the dominant Mexican chieftain. Accordingly, he won on Oct. 19, 1915, the recognition of the United States and of eight associated Latin American nations as the head of the *de facto* Government. This success piqued his rival, Villa, who, by way of retaliation started upon a career as an audacious bandit and murderer. The Santa Ysabel massacre, the Columbus raid and the Pershing expedition sent into Mexico to capture Villa were but the outstanding incidents in

the deliberate attempt of Villa to embarrass Carranza by involving him in serious difficulties with the United States. That Villa did not succeed in all his ulterior designs was due most of all to the forbearance of President Wilson. Furthermore, as the Pershing expedition recrossed into the United States early in 1917 a new Constitution was promulgated at Queretaro. In generalizing upon significant developments between 1913 and 1917 it may be said that from the standpoint of the Mexican revolution the historic mission of Wilson had been to help prevent a permanent Conservative reaction under Huerta and to make possible, under the leadership of Carranza, the incorporation into the Mexican Constitution of the socio-economic aims of the revolution of 1910.

#### 6.—RELATIONS WITH MEXICO ENDANGERED BY 1917 CONSTITUTION

The constitutional provisions embodying the socio-economic aims of the Mexican revolution which have resulted in strained relations between the United States and Mexico relate to agrarian reforms, the nationalization of subsoil deposits, and the limiting of land, particularly agricultural land, which foreigners may own in Mexico. As regards the agrarian reforms, the payment in bonds, instead of in cash for a just value thereof, to American land owners in Mexico for lands expropriated under the authority of the agrarian provisions of the Mexican Constitution, was largely responsible for strained relations between the Governments of the United States and Mexico between 1917 and 1920. This was partially responsible for the refusal of the United States to recognize Obregón after he became President in 1920, and for a diplomatic deadlock between the two Governments between 1921 and 1923. In a Joint Conference in 1923, however, it was agreed that thenceforth Mexico would limit the amount of land belonging to Americans that might be expropriated on the basis of payment in bonds and that all claims of Americans resulting from the carrying out of the agrarian program of the Mexican Government should be adjudicated, as is now being done by the General Claims Commission at Washington. A Special Claims Commission has also been created to pass upon claims resulting from damages incurred by Americans in Mexico as a result of revolutionary conditions between 1910 and 1920.

Nationalization of subsoil deposits was not one of the primary aims of the Mexican



revolution in 1910. Provisions authorizing such action, however, were incorporated in the Constitution of 1917, and executive action taken by Carranza to put them into operation before his death in 1920 resulted in a concerted but futile effort in the United States to bring about intervention in Mexico. Carranza's death relieved the diplomatic friction, but the inability of the United States Government to secure from Obregón, as a condition for his recognition, what it regarded as essential guarantees for the protection of American property rights in Mexico against the enforcement of the constitutional provisions authorizing both agrarian reforms and the nationalization of subsoil deposits, made complete the diplomatic deadlock of 1921-1923. In the Joint Conference of 1923 the Mexican Commissioners agreed, with respect to the petroleum controversy, that their Government would recognize the right to the subsoil deposits of all owners of the surface who before the promulgation of the Constitution had performed a positive act indicative of their intention to exploit the subsoil. With respect to owners who, before the promulgation of the Constitution, had not performed such a positive act, the Mexican Commissioners, without repudiating their contention that in principle such owners had forfeited their rights to the subsoil, recognized the right of the United States to make "any reservation of or in behalf of the rights" of such nationals before an arbitral claims commission.

After the recognition of Obregón, accorded on the basis of the understandings reached by the Joint Conference of 1923, and after the creation of the General and Special Claims Commissions, relations between the United States and Mexico were very cordial until November, 1925. As proof of this, mention may be made of the very generous material and moral support which the Government of the United States lent

to the Obregón Government during the de la Huerta revolution of 1923-1924, and its very positive acts of hostility toward the revolutionists.

Serious friction again developed between the two Governments in the latter part of 1925 when the Mexican Congress passed legislation putting into operation the provisions of the Constitution relating to the nationalization of subsoil deposits—which provisions thereto had been put into operation only by executive decree—and also passed legislation putting into operation the constitutional provisions limiting the amount of agricultural land which foreigners may own in Mexico. It is the contention of the United States Government that both laws are retroactive and confiscatory in character and in violation of the understandings reached with the Obregón Government before its recognition by that of the United States. In a final note terminating a voluminous correspondence on the probable effect of these laws, Secretary of State Kellogg, on Oct. 30, 1926, notified the Mexican Government that the United States did not expect it to take any action that would deprive Americans in Mexico of their property rights.

Meanwhile the land law, as a result of its having been accepted by many aliens, including Americans, offers some prospect of provoking no further serious diplomatic friction between the two Governments. As regards the controversy over the petroleum law, a lull has developed since the aggrieved petroleum companies have appealed to the Mexican Supreme Court against its alleged retroactive and confiscatory features. Should the Supreme Court rule against the petroleum companies, and should the Mexican Government take steps to enforce the law as it is now regulated by Executive decree, the diplomatic relations between the United States and Mexico would probably again become very strained.



# Billions of Our Capital Invested in Latin America

By HARRY T. COLLINGS

PROFESSOR OF ECONOMICS IN THE UNIVERSITY OF PENNSYLVANIA;  
CURRENT HISTORY ASSOCIATE

AMERICAN investments in Latin America are a product of the twentieth century. Before 1900 American capitalists and industrialists had penetrated into Mexico, Cuba, Central America, and even into South America, but the movement was a sporadic one and of little moment. The domestic demand for funds and the consequent high rate of interest here made the export of capital unprofitable. But in the last twenty-five years we have become the Latin-American investors par excellence in the Caribbean area, and even in South America. These financial ventures have both an economic and a political phase which deserves attention.

We turn first to the economic side of the matter. At the outset it should be made clear that we have not invested money in Latin America because we wanted to control Latin-American politics or economics. Money is not so magnanimous as to serve political interests first. Capitalists demand interest rather than intervention. We have invested in Latin America since 1900 because it was a better place to invest than in the United States. Capitalists are greedy—like everybody else. Since 1900 the United States has produced more capital than could be employed here at high rates of interest, hence some of it—the most daring part—sought lucrative investment abroad. Secondly, we reached a point long before the World War where our 100,000,000 people could not consume all we made. Production outran population. We needed foreign markets for our factories if they were to run at capacity. To secure foreign markets we had to invest in them. Consumption of goods, services and capital tend to lag behind production. The capitalist class, therefore, which is in control of modern business, constantly demands new markets and new opportunities for investment. Formerly it may have been true that "trade follows the flag"; the twentieth century motto is, "trade follows investment." We invested in Latin America extensively since 1898, because it was the best and most logical place for surplus funds and products.

At the beginning of the present century our holdings abroad totaled approximately \$455,000,000, distributed as follows:

Mexico .....	\$185,000,000
Canada .....	150,000,000
Cuba .....	50,000,000
Other Latin-American republics .....	55,000,000
Europe .....	10,000,000
Orient .....	5,000,000

Our investments abroad had risen to \$1,500,000,000 some time before the World War, but we owed to foreign nations \$6,500,000,000. We have now become a creditor nation to the extent of \$22,000,000,000. The Controller of the United States Treasury summarized "our contributions to financing the outside world" from August, 1914, to August, 1922, as follows:

American securities repurchased abroad.....	\$3,000,000,000
American Government loans.....	10,000,000,000
Interest accrued on the above.....	2,000,000,000
Commercial credit extended abroad .....	3,000,000,000
Dollar securities bought abroad .....	2,731,000,000
Foreign money securities sold here .....	620,000,000
Foreign currencies bought by America .....	500,000,000
Total .....	\$21,851,000,000

Some \$10,000,000,000 of the above consist of Government loans to Europe for war and post-war purposes. This may therefore be dropped from consideration; more than one-half of it has already been canceled. Of the remaining \$12,000,000,000, more than one-third is invested in Latin America. On Dec. 31, 1925, the Department of Commerce estimated that the total investments of the United States in Latin America amounted to \$4,240,000,000. Of this amount, \$910,000,000 was in Government securities or in Government-guaranteed obligations and \$3,330,000,000 in industrial and other private securities. During 1926, about \$1,000,000,000 additional foreign investments were bought by United States citizens, and of this amount \$354,989,700 went to Latin America. About \$70,000,000 of the 1926

investments went to private industrial and commercial corporations. The remainder was borrowed by national Governments, States or municipalities, and was largely destined for the construction of railways, highways or other public works. A more recent estimate by the Department of Commerce (June 30, 1927) placed our Latin-American investments at \$4,800,000,000.

#### INTERESTS IN CUBA

Among the Latin-American republics, Cuba now leads in the amount of American investment, with more than a quarter of the total. The Department of Commerce in 1924 estimated that \$1,360,000,000 of money was invested in that island. Of this sum \$110,000,000 was in Cuban Government bonds and the remainder in the following:

Sugar properties.....	\$750,000,000
Railroads .....	110,000,000
Public utilities.....	110,000,000
Hotels, office buildings and other real estate.....	80,000,000
Tobacco and cigars.....	50,000,000
Miscellaneous factories.....	40,000,000
Mining properties.....	35,000,000
Merchandise .....	30,000,000
Agricultural land other than sugar and tobacco land...	25,000,000
Banking .....	20,000,000
Independent docks, warehouses and terminal facilities .....	10,000,000
<b>Total .....</b>	<b>\$1,250,000,000</b>

By Nov. 30, 1926, American capital invested increased to \$1,470,500,000.

That Cuban railroads should be the prod-

uct of American money and American engineering seems a natural concomitant of our economic and political interest in the Pearl of the Antilles. Telephone and telegraph companies, power companies, mining interests in iron, copper and manganese, newspapers, oil, meat packing, cement and fruit growing consume many millions of dollars of American capital. So extensive are the Cuban holdings of Americans that it may truly be said that the "business life of Cuba is dominated by American money." The National City Bank, with twenty-four branches in Cuba; the American Foreign Banking Corporation, the Trust Company of Cuba, organized by Norman H. Davis in 1905; the First National Bank of Boston and the Federal Reserve Bank of Boston have played a large part in the financial and commercial activities of Cuba since the Spanish war.

Mexico stands second to Cuba in the amount of American capital. In 1902, Mr. Andrew D. Barlow, an American consul in Mexico, stated after a careful estimate: "Five hundred million dollars of gold is, in round numbers, the American capital invested in Mexico." The year 1912, perhaps, represented the maximum investment period for American funds in Mexico. Revolutionary disturbances after 1913 lessened all economic activities in oil and mining properties; the two fields of special interest to American capitalists. During December, 1926, at the request of the State Department, the American consuls in Mexico re-



A view of Buenos Aires from the tower of the *Prensa* Building



ported to that department the value of American holdings in Mexico as follows:

Rural property.....	\$166,047,000
Urban property.....	35,771,000
Oil lands.....	318,638,000
Refineries.....	50,070,000
Mines.....	317,427,000
Smelters.....	25,180,000
Timber.....	10,935,000
Railways.....	248,158,000
Manufacturing enterprises...	27,716,000
Merchandising enterprises...	26,140,000
Public utilities.....	30,799,000
*Concealed interests.....	6,938,000
Miscellaneous investments not included above.....	125,242,000
Total.....	\$1,389,061,000

\*American capital invested in Mexican companies, facts about which are not easily obtainable from public records.

At the close of 1926 Americans had invested in the South American Continent approximately \$1,250,000,000. Chile led the list with \$400,000,000, followed by Brazil with \$300,000,000, Argentina with \$235,000,000 and Peru with \$100,000,000. North American need for coffee, oil, manganese, meat and nitrates has helped to bring about this export of capital, but South American need for foreign capital has been even more compelling.

Our financial interests in Chile have doubled in value since 1920, when \$200,000,000 was invested there. Between 1921 and 1926 American financiers have purchased Chilean Government bonds to the sum of \$62,000,000 United States currency; a smaller additional sum was invested in bonds payable in sterling, sold originally on the London market, and internal bonds payable in Chilean currency were sold in this country during that same period in a sum exceeding \$5,000,000. By 1926 industrial holdings by Americans aggregated some \$350,000,000, chiefly investments of the Guggenheim interests in copper (the Anaconda Copper Company and the Braden Copper Company); by the Bethlehem Steel Corporation in iron; by W. R. Grace & Co. in exporting and importing facilities, banks and transportation and in the nitrate plants of the Anglo-Chilean Consolidated Nitrate Corporation. Copper mining, developed principally by American engineers and money, has attained such proportions as to rank Chile second in the world's production. Gold, silver and coal are also mined, but exploitation of these mines has been fostered largely by domestic capital. Southern Chile is excellently adapted to wool production, which is conducted on a scientific scale, but the investment is chiefly Chilean and British.

Brazil stands second among South American republics as to amount of American capital invested. Of the total of \$300,000,000, one-half was held in State and municipal bonds, according to figures for 1923:

Bonds of Brazilian Federal	
Union and District.....	\$104,316,000
State bonds.....	27,761,000
Municipal bonds.....	15,338,559
Paulista R. R. bonds.....	3,619,032
Total dollar bonds.....	\$151,034,591

On Dec. 31, 1926, American capital invested in Brazil amounted to \$222,356,500 in bonds of the Federal, State and Municipal Governments and \$100,000,000 in industrial enterprises. The United States Steel Corporation, with its manganese production; Wilson, Swift and Armour in meat-packing plants, and the Brazilian Traction, Light and Power Company are the outstanding industrial activities employing American capital in Brazil. This vast country has just begun its economic development. The two most important industries, coffee and rubber, have been operated with domestic capital. They, with manufacturing plants for textiles, shoes and the simpler household articles, have absorbed all available funds. But Brazil has over 1,000,000 square miles of untouched forests; there are mines, coal beds, iron fields and agricultural possibilities which guarantee fertile fields for the future investment of American capital.

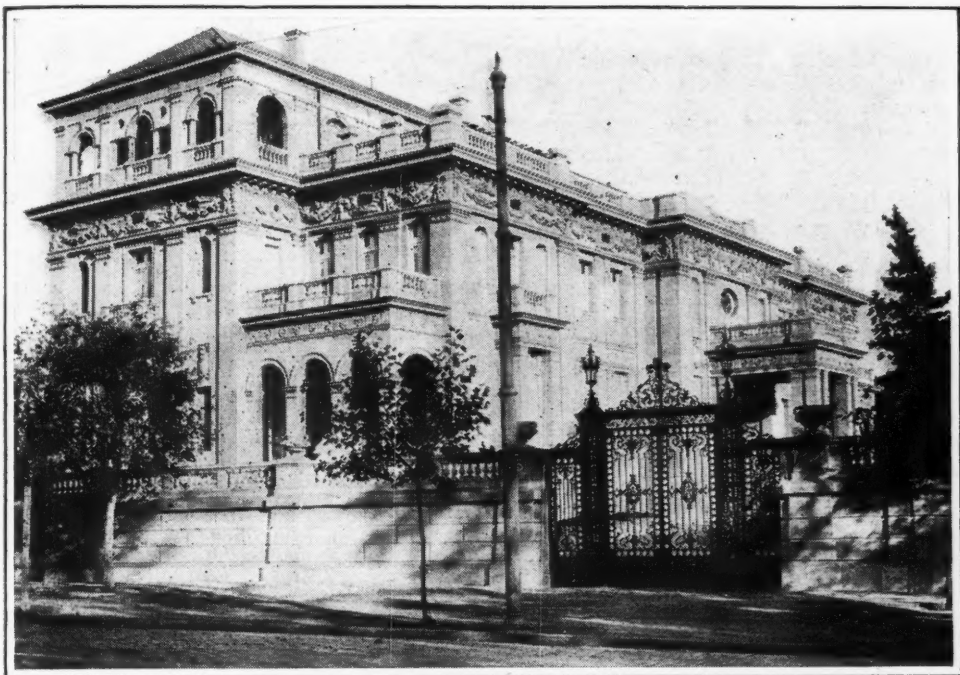
#### INVESTMENTS IN ARGENTINA

Probably \$40,000,000 represented the amount of American funds invested in Argentina in 1920. Since then we have invested more heavily, as is shown in the following figures furnished by the Department of Commerce for 1924:

Government bonds.....	\$117,000,000
Industrial securities.....	100,000,000
Municipal securities.....	17,500,000
Total.....	\$234,500,000

At the end of 1925, American capital invested in Argentina was estimated at \$134,500,000 in bonds of the Federal, State and Municipal Governments and \$100,000,000 in other investments, a total of \$234,500,000. Dr. Alberto B. Martinez, the Argentine statistician, recently stated it was "reasonable to suppose that \$250,000,000 of American money is now invested in Argentina." He also estimated that the total foreign investment in his country was \$3,600,000,000, although, according to *La Nacion* of Buenos Aires (April 28, 1927), the total foreign





The United States Embassy, Santiago, Chile

capital invested in Argentina at the end of March, 1927, was \$2,500,000,000.

American industrial investments here are mainly in meat-packing plants (*frigorificos*), oil fields, cement plants, public utilities, banking houses, factories for automobiles, textile mills, leather, lead and aluminum production. The total investment of American capital in Argentine meat-packing plants in 1926 was placed at \$80,000,000. The percentage of such companies controlled by American capital has been rapidly increasing. The following table gives evidence.

Controlled by	Year 1909.	Period 1918-1920.
British companies....	37.0	22.1
Argentine companies...	27.0	9.8
American companies..	35.3	68.1

The American packing houses of Swift, Armour, Morris and Wilson are the dominant factors in this control. The *Compañía Swift Internacional* owns the entire stock of the *Compañía Swift de la Plata*, and with an invested capital of \$20,000,000 operates eight slaughter houses, freezing plants and distribution works. *Armour & Co de la Plata* operates two meat-packing plants in Argentina. The following table issued by the Department of Commerce shows the

paid-up capital that these companies have invested in Argentina, and also their profits from operation for the calendar year 1916, a year of great prosperity, and for an average year, 1923:

Companies.	Paid-up capital.	1916.	Profits 1923.
Armour & Co. de la Plata....	20,000,000	672,463	2,554,978
La Blanca (Morris-Armour) ..	10,000,000	1,529,901	2,118,875
Swift de la Plata .....	20,000,000	2,758,940	2,174,944
Argentina Central (Wilson & Co.) .....	5,000,000	915,035	1,725,738

The oil investments controlled by American capital are operated for the Standard Oil Company of California, with a capital of \$1,000,000, and the Standard Oil Company of New Jersey, with \$3,000,000.

Our interest in Peru is vested chiefly in copper mining and in oil. The Cerro de Pasco Copper Corporation controls 730 mineral claims, comprising 5,900 acres. It owns the largest copper-producing mine in Peru; production in a single month (September, 1923,) amounted to 11,000,000 pounds. This company also controls a railroad, coal mines and haciendas. The Standard Oil Company of New Jersey is represented in Peru by the International Petroleum Com-

pany, whose properties cover 1,000,000 acres. This company controls 70 per cent. of the Peruvian petroleum output, while British capital controls 27 per cent. and Italian companies the remaining 3 per cent. The two principal Peruvian cotton mills are owned by W. R. Grace & Co. This company also owns estates, banks and factories along the entire west coast of South America. In importing and exporting in Chile, Peru and Ecuador, W. R. Grace & Co., with their ships, wharves and warehouses, have the bulk of the trade. Total American investments in Peru amount to approximately \$100,000,000, while British capital invested there exceeds ours by 25 per cent.

Colombia is becoming an increasingly attractive field for investment of our surplus funds. We hold more than \$13,000,000 of Colombian Government, State and municipal bonds, and probably \$75,000,000 of other securities. The International Petroleum Company, a subsidiary of the Standard Oil Company, by completing its 360-mile pipe line in Colombia, becomes one of the largest oil-producing companies in the world. A similar sum of American money is invested in Venezuela, about one-half of it in oil developments and the remainder in sugar, mines, banks and public utilities. In Bolivia \$50,000,000 out of a total of \$80,000,000 American capital is being used in producing tin and petroleum.

Central American agriculture, transportation, banking, railroads and public utilities are utilizing American capital. The United Fruit Company alone has \$200,000,000 invested in its banana plantations, wharves, railroads and other facilities in the Caribbean countries. The report of this company for 1923 shows the following investment in Central America:

Costa Rica .....	\$8,585,268
Guatemala .....	3,944,762
Honduras .....	24,232,275
Nicaragua .....	170,000
Panama .....	8,253,226

"Facts," says Owen D. Young, "are our scarcest raw material." But as raw material, facts need "working up," that is, interpretation. And in the interpretation it is very difficult to keep them free from the "import tariff of prejudice, self-interest and narrow nationalism." To know what we have invested and where in Latin America, may be less valuable than to know why we have invested there. Three things seem clear regarding American investments in Latin America: (1) They are made for constructive purposes; (2) They are subject to close scrutiny and supervision by investors; (3) An official adviser system is set up in republics with unstable governments.

One conclusion is patent from even a cursory examination of our investments south of the Rio Grande. They are placed



Market place, Ballivan, Viacha, Bolivia

(Wide World)

in constructive enterprises. American money grows sugar rather than ships of war; it builds canals rather than cannons; the products of our loans are roads and railroads, copper and coffee, telephones and telegraphs, machines and meat plants. Neither the munitions of war nor the instruments of social disintegration have come to Latin America from our enterprise there. We raise the level of living. We place men in occupations of which they may be proud. American money keeps men employed at good wages. That such constructive work is altruistic need not be argued; it is pursued for gain. It is profitable, but it can scarcely be a bonanza "beyond the dreams of avarice"; else would competition soon flood the field and level profits. Nor is the investment profitable to our capitalists only; in larger taxes, increased employment, higher wages and a higher standard of living, Latin Americans profit much.

#### INVESTMENT POLICY

It can safely be said that our Government has had no clearly defined foreign investment policy. As a borrowing rather than a lending nation we had no need for it. But we have now become a powerful financial unit in the comity of nations. We are now developing a definite policy. One of the essential elements of this policy is supervision by the State Department. This supervision over American investments abroad is essentially negative. It aims to prevent American money from exploitation by foreigners, and foreigners from exploitation by American money. Secretary Knox once embodied his policy in the words: "The State Department will give all proper support to legitimate and beneficial enterprises in foreign countries." On another occasion (January, 1912) he said: "A leading Government should deter its nationals from making loans not of a sufficiently broad purpose to secure the approval of said Government in consultation with the other interested Powers." Speaking before the Pittsburgh Chamber of Commerce on May 28, 1927, Secretary Mellon declared that American bankers owe it to their clients to exercise "unusual care" in investigating the securities back of foreign loans. But, he added, "the investor must make his own decision as to whether the security of any

foreign loan is ample." Our Government desires to be informed when extensive credit or large loans are made abroad that it may afford advice. As Mr. Hughes, while Secretary of State, expressed our policy (Aug. 30, 1923), it is this: "It must be remembered that the Government of the United States has no power to compel its citizens to lend money or to fix the terms of their investment. Nor is it in a position to control the action of other Governments who desire to borrow. In this situation our Government endeavors by friendly advice to throw its influence against unfairness and imposition."

Recent history has shown that private investments in foreign countries with weak or unstable governments, by nationals of strong governments, easily lead to spheres of influence with extraterritorial privileges for the strong investing country. From spheres of influence, by short and easy steps, the powerful investing country passes to political control of the weak borrower's foreign relations. From political control of foreign relations to control of domestic affairs is a natural and logical step. Thus is the aggrandizing nation in complete control of the economic life of the borrower. Against such a series of events our Government guards. The first step in this series is brought about by a default in the payment of interest or principal. Then, again, "friendly advice against unfairness and imposition" may be of no avail if the borrowing government is weak and unstable. The party in power for a season may invest or deliberately squander borrowed funds with no regard for civic welfare. Service on a foreign debt may mean little to such a party in comparison with the feathering of its own nest. Here is the province for the "adviser system." Supervision has been applied in all areas, the advisory system more particularly in the republics of the Caribbean.

American foreign investments constitute today our widest departure from the policy of isolation. In no part of the world have we larger or more important investments than in Latin America. Here we lay the cornerstone of our policy. To date, that policy seems to tend toward constructive enterprise rather than exploitation in the foreign field, and toward supervision to prevent injustice to either borrower or lender.





# Latin America's Growing Financial Stability

By WILLIAM E. DUNN

FORMER DIRECTOR GENERAL OF INTERNAL REVENUE OF HAITI, WHO HAS HELD VARIOUS ACADEMIC AND OFFICIAL POSITIONS IN LATIN-AMERICAN COUNTRIES

**A**LTHOUGH Latin America has long been regarded as a favorite field for American foreign trade and investments, uneasiness is felt in some quarters lest our progress in extending our interests in the Southern republics may be taking on too rapid a pace. Especially is this view expressed with respect to the unprecedented flow of capital to that area which is now taking place through the sale of Government bonds and other securities of those countries in the United States.

Until the close of the World War, our economic contacts with Latin America were confined chiefly to the development of trade relations, improvement of shipping and communication facilities, and to direct private and corporate investments in such industries as mining, petroleum, meat packing plants, railways, sugar plantations, and other miscellaneous agricultural enterprises which were virtually domestic in many respects. Although numerous branches of American banks were established in South and Central America, except for banking operations connected with the activities mentioned our financial institutions took little part in the extension of credit to Latin America, this rôle being left to British and European financiers, who had long acted as pioneers in that field.

The altered status of the United States as a creditor nation, our plethora of capital, and the search for high-yield investments, has led to the next logical step in the development of our diplomatic relations with Latin America in the form of governmental and industrial financing through the sale of publicly offered securities to American investors. This movement is of comparatively recent origin. Ten years ago a scant dozen Latin-American securities were regularly traded in on the New York Stock Exchange. Today an average of seventy such issues appear in the daily transactions of that institution, and some twenty on the New York Curb Exchange. Large volumes of privately placed and internal securities of Latin-American countries are held by investors in the United States. In

addition, there are outstanding numerous domestic issues of American corporations whose operations are centred in Latin America. The volume of Latin-American public financing in the United States since 1919 may be seen from the following figures compiled by the Finance and Investment Division of the Bureau of Foreign and Domestic Commerce in Washington:

## ANNUAL FLOTATIONS OF LATIN-AMERICAN DOLLAR ISSUES IN THE UNITED STATES

Year.	Govt. and Govt. guarant'd.	Corporate.	Total.
1919	....\$20,900,000	\$7,500,000	\$28,400,000
1920	.... Nil	46,050,000	46,050,000
1921	....189,030,000	49,196,749	238,226,749
1922	....186,275,000	71,220,700	257,495,700
1923	....117,500,000	55,646,500	173,146,500
1924	.... 90,990,000	38,382,500	129,372,500
1925	.... 92,190,950	43,750,000	135,940,950
1926	....317,708,200	69,929,500	387,637,700
*1927	....166,848,800	82,245,000	249,093,800

Ttl. \$1,181,442,950 \$463,920,949 \$1,645,363,899

The above totals refer to the par value of securities offered, without deduction of amounts refunded to American creditors.

\*Up to and including June 30, 1927.

It will be noted that governmental loans have predominated during the years covered, having reached a record figure of \$387,637,700 in 1926. Offerings during the present year continued at the same high level up to May, since which time there has been a distinct lull in common with all foreign financing, on account of both seasonal influences and the large volume of undigested securities, both foreign and domestic, with which the American bond market has had to contend. The flotation of a number of new Latin-American loans now under consideration, which are expected to be offered by late Summer or in the Autumn, will probably make the 1927 total only slightly less than for the banner year of 1926. Direct investments of American capital in Latin-American industries have kept pace with public security offerings. Holding companies have been organized in the United States to acquire hydroelectric plants, street railway and suburban lines, telephone sys-

tems and other profitable properties. Mining and petroleum companies are constantly extending and improving their holdings. Agricultural development in many lines is being made possible by American capital. Shipping, cable and radio facilities are being multiplied. These combined activities have brought total American investments in Latin America as of July 1, 1927, to an estimated amount of approximately \$5,000,000,000, according to figures compiled by the United States Department of Commerce. This is equivalent to 40 per cent. of total estimated American holdings abroad.

To complete the picture of our enormous interests in Latin America, it is interesting to note that our total trade with the countries to the South attained a value of almost \$2,000,000,000 in 1926, as compared with \$767,285,000 in 1913. The comparative figures of our trade with Latin America for these two years are as follows:

	Imports.	Exports.	Total.
1926 ..	\$1,044,526,000	\$836,592,000	\$1,881,118,000
1913 ..	443,453,000	323,832,000	767,285,000

#### AN ERA OF PROGRESS

Latin America being regarded as typical of political unrest, economic backwardness and doubtful credit responsibility, it is difficult for the average American to realize the progress that has been made by the majority of the twenty republics during the past few years. It will therefore be of interest to inquire into certain fundamental conditions that affect our constantly increasing Latin-American holdings, keeping in mind that all generalizations regarding Latin America must be qualified, because each of the twenty republics has a distinct nationality and peculiar characteristics of its own.

With a few outstanding exceptions, there is reason for believing that Latin America has virtually completed that stage of its evolution which has been characterized by frequent revolutionary disturbances. The breaking down of the barriers of isolation through trade and travel has brought about a psychological change in the attitude of the governing classes with respect to civil strife. While sporadic flare-ups may yet occur even in countries which have been stable for many years, there is little likelihood of serious interference with trade and industry, or of the permanent impairment of public credit. Even Mexico, which may be regarded as the worst example of possibilities in this line, has not repudiated her foreign obligations. The potential wealth and resources of every Latin-American

country are so great that prosperity is inevitable so long as internal disorders are avoided, and their recuperative powers are so strong that the effects of political unrest are seldom of long duration.

Latin-American financial history is plentifully sprinkled with defaults, but here again care must be taken not to condemn the innocent for the faults of the delinquent. Most of the defaults on record occurred during the early history of the republics involved, or were the result of economic crises growing out of the World War. With a few well-known exceptions practically all these irregularities have been cleared up or are now in process of adjustment.

In the few cases where outright repudiation of public obligations has taken place it will almost invariably be found that the delinquent Government was more sinned against than sinning. There are instances where exorbitant commissions running as high as 75 per cent. were exacted on foreign loans, and in at least two cases the borrowing country received nothing for the obligation assumed. Granting that such abuses were facilitated by the connivance of corrupt local officials, the possibility of a recurrence of such conditions is becoming more and more remote. Not only have Latin-American officials become more experienced and conversant with sound financial principles, but they are more amenable to public opinion, which will not readily tolerate similar abuses.

It may therefore be confidently stated that the attitude of Latin-American Governments toward their public obligations, whether national, State or municipal, has undergone a marked change for the better. Loans are now contracted with the intention of being met promptly, and a reversion to former irregularities is no more likely than that an era of corrupt municipal administration will again be customary in the average large city of the United States.

Not only has the moral element in Latin-American credit risk improved, but notable progress has been made in strengthening the fundamental economic and financial structure which affects ability to pay. Currency reform and stabilization of exchange have been accomplished in many of the individual republics through the establishment of banking systems modeled after our own Federal Reserve System. Debt structures have been regularized and simplified, and improved methods of fiscal administration have been adopted. No fewer than six republics have engaged the services of

American experts to make a thorough survey of public finances and to recommend reforms that have been or are in process of being enacted into law. Such examples have not only benefited the individual countries concerned but have had a salutary effect on the less progressive ones by popularizing new standards of administrative efficiency and fiscal integrity. Reforms of this nature, once adopted, are not likely to be abandoned, and it is logical to assume that resulting benefits will be permanent and far-reaching in their influence.

#### SAFETY OF INVESTMENTS

Critics of our present rapid expansion in Latin America are apparently not concerned as to the safety of direct investments in trade and industry, but are alarmed lest public revenues will not be adequate to carry the additional debt burdens that are being assumed by many of the Southern republics. They point out that increased taxes must be levied if expanding obligations are to be met, and that industries essential to the prosperity of the various countries may be seriously injured by such a policy.

Although this view may be justified in a few exceptional cases, it is not applicable to Latin America in general. In the majority of the countries revenues are increasing by leaps and bounds because of the more intensive development of resources and the consequent raising of standards of living. Taxes are being collected with more thoroughness and less favoritism. Administrative costs are declining. If such results are being accomplished during a period when prices of Latin-American raw products are generally depressed, it is not logical to anticipate a shrinkage in revenues, but rather a progressive growth which will enable present obligations to be carried with ease, and permit additional debt to be incurred as resources justify.

An encouraging feature of the present

flow of banking capital to Latin America is the fact that the major portion of the proceeds of Government loans being made are used for constructive purposes. Earlier loans bearing high coupon rates are being refunded as the credit standing of the individual countries improves. Economies are being effected by the retirement of floating debt which pays high local rates of interest. Means of interior communication are being provided. In cities and towns the familiar cobblestones are disappearing; rural highways are being constructed; and a modern environment created where formerly primitive living conditions prevailed. Sanitary conditions, long a byword in many sections, are being remedied through the installation of modern water works and sewage systems. Harbors and rivers are being dredged, port facilities provided and capital for agricultural and industrial development is being made available. As a result of these activities, economic life is being quickened, standards of living raised, and the tax base constantly widened.

Latin America as a whole is now in the same stage of development as was the United States some fifty years ago. Certain countries have progressed more rapidly than their neighbors, but each has vast pioneer areas which are rapidly being enabled to contribute to the economic welfare of the nation. It is fitting that the various Governments should utilize their credit in order to accelerate the development of potential resources. Obviously this must be effected in accordance with tested principles of sound business and finance. There is little danger that any of the republics will retrograde in wealth and resources. On the contrary, it seems safe to assert that conservative optimism as to the future of all Latin America is amply warranted, and that it has already entered upon an era of intensive development which will enable it to assume in the world's economy that important position which nature undoubtedly intended it to enjoy.





# The Basis of American Intervention in the Caribbean

By DANA G. MUNRO

AN OFFICER OF THE LATIN-AMERICAN DIVISION, DEPARTMENT OF STATE;  
AUTHOR OF *The Five Republics of Central America*

WHEN the small republics of Central America and the West Indies obtained their independence, barely a century ago, there were many factors which made difficult the establishment of stable political institutions. Under Spanish rule there had been virtually no self-government of any kind. The newly adopted republican constitutions were incomprehensible to the illiterate Indian or negro peons who made up the great mass of the population, and were but imperfectly understood even by those who signed them. The evil traditions of corruption and favoritism inherited from the colonial régime made it difficult to inculcate respect for law or honesty in administration. The holding of real elections proved to be utterly impossible, for the result of the voting could always be determined in favor of the Government by corruption, official pressure and fraud. The party in power maintained itself by force and could be displaced only by the same means. Political changes were thus almost invariably accompanied by disorder.

Some of these conditions have existed in several of the Caribbean countries down to the present day, and recurrent civil wars, with the economic and political demoralization which has accompanied them, have inevitably involved the Governments of these countries in difficulties with foreign Powers. Foreign property has been destroyed; foreign investors have been exposed to extortion at the hands of irresponsible military leaders; and foreign lives have sometimes been sacrificed. Furthermore, Government loans have been contracted abroad, and foreign interests have been besought in some cases and encouraged in others to construct railroads and develop mines and plantations. Because of the risks involved, and sometimes because of the inexperience or venality of local officials, many of these investments were made under concessions granting privileges which later proved distasteful and burdensome, and subsequent Administrations, coming into power by revolution, have sought to evade or repudiate the obligations assumed by their pre-

decessors, or have found that disturbed conditions made compliance impossible.

Among the foreigners so affected were many citizens of the United States, and our Government has naturally been called upon to protect them, just as it protects American citizens in other parts of the world. Where contract rights or the safety of property have been involved, its action has ordinarily been confined to diplomatic representations, followed sometimes by formal claims for damages which could be settled by arbitration after normal conditions had been restored. When the lives of American citizens were in actual, imminent danger, however, it has not infrequently proved necessary to send a warship or to land a small force of marines, almost always without bloodshed, to prevent murder and outrage until the local authorities could again extend adequate protection. In taking such action, which is entirely in accord with established international practice, the United States is merely discharging a duty incumbent upon civilized Governments.

Where the interests and the lives of citizens of other world Powers are endangered, however, a more difficult situation is created, for complications with non-American Powers inevitably raise questions connected with the Monroe Doctrine. More than once, as in the case of the British efforts to obtain control of possible Isthmian canal routes before 1860, the French intervention in Mexico during our Civil War, and the European intrigues in Haiti before 1914, we have seen foreign Powers seeking to take advantage of political instability in countries close to us in ways very dangerous to our own interests. On other occasions, as during the disturbances of the past four years in Honduras and Nicaragua, European Governments have made it clear to us in a more friendly spirit that we must do something to protect foreign interests if we do not desire them to intervene themselves. Such warnings cannot lightly be disregarded. The territories of our Caribbean neighbors are close to our own coast and command many of our

trade routes. They also command the approaches to the Panama Canal—a fact which is of the utmost importance. It is unthinkable that we should ever permit other Powers to intervene in their internal affairs, for the history of weak and disorderly countries in other parts of the world shows that such intervention too often leads to permanent control.

#### PERMANENT CONTROL NOT DESIRED

Since we have no desire whatever to establish any permanent control ourselves, we can only safeguard our vital interests by endeavoring to help these nations to reach a point where they can manage their own affairs in a manner which will leave no pretext for interference by ourselves or by any one else. This has been the central purpose of our Caribbean policy during the past twenty years.

In 1907, when international conflicts and the continual interference of certain Governments in the internal affairs of the others had produced a serious situation in Central America, the United States invited the Governments of Guatemala, Salvador, Honduras, Nicaragua and Costa Rica to send delegates to a conference which met at Washington to consider measures which would place their relations on a better basis. Among other important treaties adopted at this meeting, there was one in which the contracting parties agreed not to attempt any direct or indirect interference in one another's political affairs and to submit all disputes between themselves to an international court for adjudication. In 1923, when a second conference met in Washington, at the invitation of the United States, to revise the original treaties and to make them more effective, a further provision was adopted to the effect that no Administration coming into power by revolution or unlawful means in a Central American country should be recognized by the other Governments until a free election should have been held, and not even then if one of the leaders of the revolution should have been elected President.

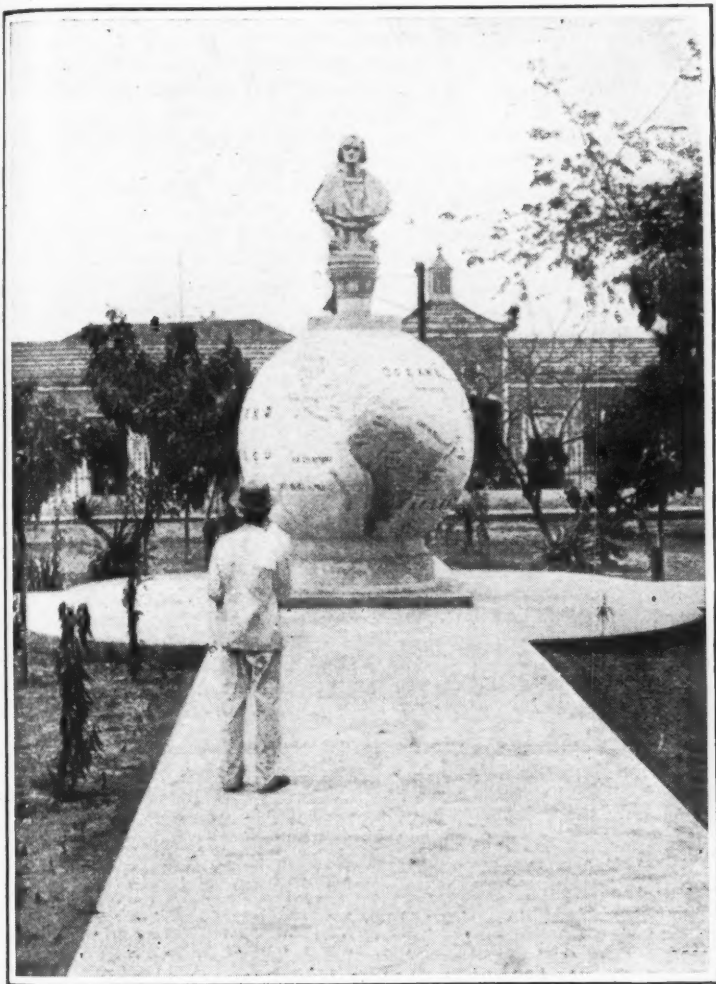
The results of these treaties have on the whole been excellent. Although international wars had been frequent in Central America before 1907, not one has occurred since that year, and revolutions caused by outside influence have been far less frequent. The United States has adopted as its own the policy laid down by the Central American nations themselves, and has endeavored by withholding recognition of revolutionary Governments to discourage

the seizure of power by military leaders and to promote the settlement of political difficulties so far as possible by constitutional means. Nevertheless, the treaties could not be expected to put an end to disorderly conditions caused by underlying economic and social factors which could be modified only by a slow process of development. Unfortunately, there have been disastrous, if less frequent, civil wars in several of the Central American States since 1907, and these have continued to present difficult and troublesome problems for the Government of the United States.

A revolution which occurred in Nicaragua in 1909-1910 left that country in a condition of economic prostration and complete political demoralization, with the foreign debt held by British investors in default and many other foreigners clamoring for payment for losses suffered during the conflict. The United States exercised its good offices to bring about an agreement among the rival leaders of the victorious party, and later, at the request of the President of Nicaragua, intervened by force to protect foreign life and property and to restore peace when a new outbreak of disorder occurred. The presence in Managua of a legation guard of about one hundred American marines contributed to the maintenance of order for the next thirteen years, because it was generally regarded as an evidence of the moral support accorded by the United States to the established Government.

#### NICARAGUAN FINANCIAL REFORM

During this period it was possible, through the assistance of the United States, to place Nicaragua's finances in a better position than those of any other Caribbean country. In consideration of the establishment of a customs collector nominated by themselves and approved by the Department of State, two New York banking firms advanced somewhat over \$2,000,000 to place the new Government on its feet financially and to stabilize the depreciated and fluctuating paper currency. The British bondholders were induced to accept a lower rate of interest on their bonds and the internal debt was paid off or refunded. There has been much misinformed criticism of these operations both in Nicaragua and the United States, but it is impossible for any fairminded and competent student who takes the trouble to analyze the numerous complicated transactions involved not to reach the conclusion that Nicaragua was infinitely better off as a result of them. Many of the charges which have been made



Statue of Columbus, Maracaibo, Venezuela

seem simply ridiculous when one realizes the smallness of the sums involved as compared with the risks incurred.

In 1925 the legation guard was withdrawn from Managua, and within three months from its departure a revolution broke out. The painful events which have since occurred are so fresh in the memory that it is unnecessary to recount them. It may be pointed out, however, that the settlement reached through Mr. Stimson's mediation is in substantial accord with our general policy. The constitutionally established Government is maintained in office and the selection of its successor by legal and peaceful means is assured by the fact that next year's elections, at the re-

quest of both parties, will be held under American supervision.

In Cuba, where we have special obligations because of the Platt Amendment, the United States Government has endeavored to aid in the establishment of conditions under which our right of intervention to maintain the constitutional order will become obsolete because there will be no occasion to invoke it. In particular, we have aided in drafting and executing electoral laws designed to assure orderly changes of government. General Crowder, who has represented the United States in Cuba in many capacities, has rendered services of inestimable value, not only in this connection but also in aiding Cuba to emerge from the disastrous economic and financial situation brought on by the fall in sugar prices in 1920. The independent, stable and prosperous Cuba of today owes much to his work and counsel.

By means of the customs receivership treaty entered into with the Dominican Republic in 1907, we enabled that country to unravel the apparently hopeless financial tangle in which it had become involved through internal disorder and maladministration and reckless borrowing from foreign interests. Unfortunately, a subsequent renewal of revolutionary disturbances made impossible the fulfillment of the obligations assumed by both Governments under the treaty. After prolonged and fruitless efforts to help the Dominicans to remedy the situation themselves, it was finally deemed necessary, in 1916, to establish an American military government in the republic. Six years later, however, a plan of with-



drawal was worked out in agreement with the leaders of all of the Dominican political parties, and in 1924, upon the establishment of a popularly elected native Government, all the American forces were evacuated. The Dominican Government resumed full control of all branches of the public administration except the customs, which continued to be administered by an American General Receiver as under the treaty of 1907.

In Haiti the situation is somewhat different. Revolutions had become so frequent and so destructive in the years immediately preceding 1915 that it was clear that stable government could never be established without outside help. The lives and interests of foreigners were in constant danger, and reckless borrowing abroad had been carried to a point where the republic was on the verge of complete and hopeless bankruptcy. There was no question but that one or more European Powers would sooner or later assume control of affairs if the United States took no action, and the intrigues which defeated American efforts to improve conditions made it seem probable that there were Powers which would welcome an opportunity to do so.

In July, 1915, therefore, when all vestiges of established authority had disappeared after President Guillaume Sam had been taken from the French legation and torn to pieces by a mob in Port-au-Prince, and when French marines had already been landed to protect French interests, the United States took control of the situation. Under the protection of American naval forces, the Haitian Congress met and elected a new President in accordance with the constitution. The United States and the new Government entered into a treaty under which American assistance would assure the maintenance of order and the improvement of the condition of the Haitian people to a point where the events which had compelled our intervention could not recur. The finances were placed under the general supervision of officials nominated by the President of the United States and a constabulary was organized under American officers. Other American officials were appointed as technical directors of sanitation and public works. More recently, an American expert has been employed to establish a system of agricultural education and to direct the systematic development of the country's agricultural resources, and another has undertaken the creation of a system of vocational schools. In 1921, to ensure proper coordination of the activi-

ties of these so-called treaty officials, their activities were placed under the supervision of Brigadier General J. H. Russell, as High Commissioner with the rank of Ambassador.

The result has been little short of miraculous. While the lower type of politicians and the former professional revolutionists have objected loudly to the new state of affairs, the masses of the Haitian people have shown their practical appreciation of what has been done for them by renewing the cultivation of the lands which had been abandoned because of military depredations, by using the new roads which have been constructed, and by making the greatest use of the free medical and veterinary clinics which have been established in districts where no medical attention of any kind had ever before been available. In all the departments under American supervision an effort is being made to train Haitians so that they may take over the work as soon as possible. The results which have been accomplished have been due in large part to the intelligent cooperation of President Borno, the enlightened statesman now at the head of the Haitian Government.

#### HOW ORDER IS ESTABLISHED

In none of the countries above referred to has the United States attempted to exercise any lasting control. Our Government has in fact shown itself extremely reluctant to interfere in their affairs at all until it was obvious that there was no alternative. Except in Haiti, where conditions are not yet ripe for such action, it has terminated its intervention as soon as there seemed to be a reasonable prospect that the people of the country involved would be able for the time being to maintain order and protect life and property without outside assistance. Its consistent endeavor has been to create conditions which would ultimately make outside interference unnecessary. By discouraging revolt and disorder, by extending moral support to administrations constitutionally established, and by assisting in the development of adequate electoral systems, it has sought to aid its neighbors in laying the foundations for stable, democratic government. By making expert financial assistance available and cooperating in establishing conditions where refunding operations could be effected on advantageous terms, it has sought to remove one of the principal sources of difficulties with European Powers as well as to make it possible to provide funds for internal development. By encouraging the establishment of

adequate police forces it has attempted to assure the maintenance of order and the protection of life and property.

While the sole justification for our policy in the Caribbean has been the necessity for defending the interests and the national security of the United States, we have scrupulously regarded such control as we have temporarily assumed in individual countries as a trust to be managed for the sole benefit of their inhabitants. No discriminations against foreign trade have followed the establishment of American customs receiver-ships. Our influence has been used against the granting of concessions even to American interests, unless their provisions were advantageous to the country which was asked to grant them. When our Government has cooperated with the Caribbean Governments in obtaining loans from American bankers, it has insisted that the terms of the contract be fair to the borrowing country. The bankers have, of course, made profits from such transactions, for bankers do not underwrite bond issues from philanthropic motives or even primarily from a desire to assist in the conduct of our foreign relations, but it can be demonstrated that the cost of the loans to the borrowers has been far less than the cost of loans obtained without the good offices of the Department of State.

Such a policy is obviously not imperialistic. On the contrary, it aims primarily to do away with any reason or excuse for the extension of our own power at our neighbors' expense. The extreme reluctance with which our Government has acted in situations where it would clearly be compelled ultimately to intervene, and the prompt withdrawal of our intervention when it had served its purpose, show clearly that our policy is the reverse of imperialism as it has been practiced elsewhere.

There are, of course, persons who sincerely believe that every nation should be permitted to manage its own affairs in its own way, however badly, and that foreigners who go to disorderly countries must take the consequences upon themselves. Those who have dealt with such questions officially find it difficult to believe that very many of the persons who hold such theories, if placed in a position of authority, would actually sacrifice a group of American citizens in a Caribbean port where all semblance of government had disappeared, when they could be saved by the appearance of an American warship or the bloodless landing of a few marines. Furthermore, they could hardly hope to persuade other

Powers to adopt a similarly idealistic but cruel policy, and very few of them would care to assume the responsibility for the consequences which would follow should other Governments actively undertake the protection of their own citizens.

#### BASIS OF INTERVENTION POLICY

If a Secretary of State should attempt to adopt a policy of absolute non-interference, moreover, he could not free himself from the responsibility resting upon him by reason of the fact that American influence, even if not consciously exercised, is always a dominant factor in the affairs of the small Caribbean countries. He would still be besieged with requests for advice and assistance when these countries became involved in complications with foreign Powers or in internal political difficulties. He could not escape the responsibility for deciding whether or not to extend to a new Government or to one of two rival Governments the usually decisive moral support of recognition by the United States. Complete inaction by the Department of State may have as positive an effect in a Caribbean political crisis as the enunciation of a definite policy. It is obviously better that our tremendous moral influence should be consciously and intelligently directed than that we should attempt or pretend to close our eyes to its existence.

Our relations with our Caribbean neighbors can never be placed upon a wholly satisfactory basis until the problems which they present are better understood in the United States itself. Our Government needs the support of an enlightened public opinion in dealing with them. This does not mean, of course, that the Department of State should be defended blindly in whatever it does. The critic, with the inestimable advantage of hindsight, will always find much to which he can properly object in the manner in which particular situations have been handled. But he should bear in mind the fact that mistakes are hard to avoid in dealing with peoples of a different civilization and a different psychology, and that in any event few of the problems arising in our Caribbean relations are susceptible of a really satisfactory settlement, because the solution of the basic problem—the establishment of stable government—will probably require several generations of economic and social development. Above all, he should be very slow to attribute to his Government hidden or improper motives. In matters of foreign policy it is especially important that criticism be fair and based on facts.

# Latin-American Nations' Failure To Attain Unity

By CARLETON BEALS

AUTHOR OF *Brimstone and Chili, Mexico: An Interpretation*  
AND *Rome or Death: the Story of Fascism*

RECENTLY, on the heels of Mr. Hoover's attack on British monopoly of the world's rubber supply (72 per cent., 1921; 61 per cent., 1926), the Department of Commerce pointed out that 6,000,000 acres of potential rubber lands lie at our doorsteps in Central and South America, awaiting development. Rubber trees require ten years to mature. The prosecution of this industry, therefore, demands a fair measure of political stability, relatively honest government, just legislation and an adequate labor supply. Bananas, part of our staple diet, come chiefly from Central America, where Governments are notoriously unstable. The 20,000,000 autos in the United States need cheap gasoline; part of the 16,000,000 tons of our merchant marine is oil-driven, hence oil wells in Mexico, Venezuela, Colombia and elsewhere.

These raw materials, and others, are ineluctably demanded by the expanding industry of the United States in increasingly uninterrupted quantities. More and more our own factory system imposes large-scale production of raw materials. And as native technical knowledge is largely lacking, American capital and experts reach out to carry on the task. The *sine qua non* of such efforts is settled political conditions, proper communications, and—if not honest governments—at least amenable governments, administrations which can and will carry on sanitation, drainage, road building, harbor dredging, and so forth. But as Latin-American Governments universally lack capital, foreign loans—not always generous as to terms—are arranged. Then, as the very process of building up a modern social system and destroying the old feudalistic conditions results in recurrent periods of disturbance, the State Department is induced to step in to protect investments. Hence customs control in Salvador, Haiti and elsewhere; hence armed intervention. A whole chain of cause and effect and interlocking ramified relationships is set in motion, quite beyond the power of any group

of men or even any nation to stay or profoundly alter.

Inevitably we have acquired the outlying possessions, Alaska and Hawaii. Hence the dependencies: the Philippines, Porto Rico, Virgin Islands, Samoa, Guam, Wake and Midway Islands. Hence the leased territory: the Canal Zone, Guantanamo, Fonseca Bay, Corn Island. Hence intervention and semi-protectorates in Cuba, Haiti, the Dominican Republic, Panama, Nicaragua, Liberia. If the regions and countries named constitute a colonial empire, as Professor Moon would insist, then it stands sixth among those of the world Powers in area and population, second in commercial importance.

Whatever the process be named—dollar diplomacy, imperialism, enlightened intervention, the white man's burden, civilizing the tropics, protecting American lives and property—the major factors are: (1) National security, viz., the Panama Canal and a ring of fortifications in the Caribbean and across the Pacific and the cumulative insistence upon 'the newer Monroe Doctrine of Western Hemisphere tutelage; (2) surplus manufactures, nearly a fourth of our foreign trade being with Latin America; (3) demand for tropical and subtropical products; (4) surplus capital, which finding only a limited outlet in industrialized Europe, flows to the extent of 40 per cent. into undeveloped Latin America.

This expansionist process has resulted increasingly in the exclusion of Europe from participation in Latin-American finance, trade and politics (viz., the refusal to permit Panama and Costa Rica to carry arbitration to the League of Nations), and a growing activity and control on our part. Thus the original Monroe Doctrine of no European conquest or colonization has evolved to include intervention by us to maintain order (the Roosevelt Doctrine), non-recognition of revolutionary governments (largely a Wilsonian extension), and increasing domination over Latin-American



interrelations, for example, Central American boundary disputes, Tacna Arica (a failure), and our intimation to Mexico to keep hands off Nicaragua.

#### OUR MIXED MOTIVES

Our new rôle, most noticeable from Venezuela northward, has been defended on the following grounds: First, our necessity for national security; second, the obligation to protect American lives and property; third, our generosity in promoting political stability, higher conditions of morality, improved communications, education, and lastly, that eighteenth amendment to the Monroe Doctrine, sanitation. Our new policy has been attacked as violating the rights of national self-determination, as increasing economic and financial exploitation and leading to imperialism, as promoting old-style dictatorships. Actually both altruistic and selfish motives are interdependent, ruled by the imperious needs of our complex industrial system. A stable supply of raw products necessitates large-scale production; industry in the tropics without sanitation is inconceivable; sanitation could not be achieved without political stability and foreign loans.

Notorious is the news that Latin-Americans have not proved too grateful for these manifest benefits. They have even bitten the hand that fed them. Panama, taunted by her neighbors, has recently refused to ratify an alliance with the strong arm that took her, a poor rib from the side of Colombia, and made her over into a blooming Sister Republic. Recently the clamor against *Tío Sam* (Uncle Sam) has become increasingly loud and bitter. The Union of Central and South America and the Antilles (UCSAYA), headquarters in Mexico, is actively spreading propaganda in favor of an all-Latin-American boycott against American goods, a propaganda which has found considerable echo. At the last Pan-American trade congress, the South American delegates bitterly attacked our tariff schedules and threatened to turn to Europe. Ugarte thunders to Latin American youth from his retreat in Nice his old 1912 slogan, "Latin America for the Latin Americans." Isidro Fabela, ex-Minister of Foreign Affairs under Carranza, declares that the United States is allied with the "Nicaraguan traitors," and all Latin American peoples should mourn because their Governments have been unconcerned over the "brutal and imperialistic outrage" perpetrated. Blanco-Fombona of Venezuela lifts his voice accusingly. Dr. Alfredo Palacios organizes the Congress of Ibero-

American youth in Montevideo, declaring that "we have nothing to do with the United States except defend ourselves from the claws of its greedy capitalists." Newspapers have shown unusual "anti-unanimity." The Salvadorian editors, denouncing the United States, have petitioned their Government to withdraw recognition of Díaz in Nicaragua. In recent months *El Cosmos* of Colombia, the *Journal do Brasil*, *La Nación* of Argentina, *Excelsior* of Mexico, *El Imparcial* of Guatemala, *El Diario* of Costa Rica, *El Mundo* of Cuba, in short, practically every leading newspaper of Latin America has carried articles sharply critical, even openly bitter. From the Rio Grande south, the faded *bonnet rouge* has been resurrected and worn at a new provocative angle; old hymns of hate against the Colossus of the North have been dug up to be resung at public gatherings.

But not with lyric addresses or hymns of hate will the 80,000,000 people to the



"Christ of the Andes," the peace monument between Argentina and Chile



Urbana Park, Montevideo, Uruguay

Newman

South of us ultimately emerge from a semi-colonial status to adult nationhood. Obviously, we cannot hope to control politically, or even economically, let alone ideologically, any appreciable extent of Latin-American territory. Emerging nationality and participation in a common racial culture, spread over a larger contiguous area than any other single semi-homogeneous group of peoples in the world, will ultimately tip the balance. Indeed, the near future may herald a Sun Yat-sen of Latin America. Financially, too, the countries to the south of us will achieve independence. At the Third Pan-American Congress, Mr. Hoover, advocating loans for purely industrial purposes, declared (*New York Journal of Commerce*, May 3, 1927): "The needs of Latin-American countries will be found to be only temporary and in the course of time they, too, will come to be exporters of capital. We may take it as a certainty that with the upbuilding of the economic structure each American State will in turn at some time begin to produce that surplus which will, when converted into capital, relieve it of the necessity of external borrowing."

But will this transition in the decades to come be effected without bitter political, economic and military conflict? Will the ascending autonomy and self-sufficiency of the Latin-American world be achieved in a spirit of true cooperation with us? Will

wise statesmanship bridge the extreme gulf between the economic development of the two spheres? The answer depends as much upon Latin America as upon the United States.

It is fatuous to complain of the rain when the roof is leaky. The first difficulty for equality of participation in the modern world by most of Latin America has been the lack of continuity in its affairs; its history, distant and recent, reveals any number of magnificent but isolated, disconnected efforts, like sparks in the darkness of a constantly recurring tragedy of destruction and anarchy. The most obvious social defects, dangerous for Latin America in the face of American industrial exigencies, are lack of (1) political stability; (2) bureaucratic honesty; (3) producing technique; (4) sanitation.

#### A STORY OF CONTINUOUS VIOLENCE

The story of Latin America, save in Argentina, Uruguay, Cuba, Costa Rica and Brazil, has been one of continuous violence or of long-term dictatorships. The latter, in turn—resembling the Oriental absolutism of the Sikh pashas, though much less stable—have been makeshifts, destroying all vestiges of popular social control and placing the State alternately at the mercy of military cliques, which have robbed and murdered ruthlessly, and of popular fury, which has had no sustaining coherence. So

Hudson describes Venezuela as "a Government of cliques tempered by revolution."

Mexico has had nine Presidents since 1910, and though during this period the country has been menaced by intervention because of disorder, this has not deterred the military *tuchuns* from resorting to any form of violence to satisfy their greed for power, wealth and notoriety—all in the name of the revolution. And whenever they failed to accomplish their ends they have been the first to connive with foreign Powers and interests to destroy the national sovereignty; indeed, such elements have in the past actually brought about foreign intervention. In Nicaragua Adolfo Díaz shirked his work, letting American marines fight his battle, then proposed a treaty protectorate which was too unfair for Washington even to consider. Indeed, most cases of armed intervention in Latin America have been precipitated by unpatriotic native self-seekers. How many loans to Central and South American countries, as in the case of Zelaya in Nicaragua and Cabrera in Guatemala, have merely served to line the pockets of unscrupulous and transient officeholders, leaving the national wealth mortgaged for generations and frequently ending in some form of financial or armed intervention!

Thus political instability is part and par-

cel of bureaucratic dishonesty. Inconceivably rich concessions have been secured through graft or a share in the spoils. Today in Mexico much of the vaunted irrigation progress of the Calles Administration will benefit vast *haciendas* of Government officials (pledged to land distribution) who were penniless before the revolution hoisted them into power. And in nearly every country business and industry carries on its bent back a horde of grafting inspectors, tax collectors, police agents and other officials who harass and destroy unless generously massaged with Sir John Goldmouth's grease.

The larger foreign companies can ignore or fight; but smaller concerns, especially those using native capital, the very concerns which should be strengthened so as to bring about economic emancipation, are the helpless prey of such bureaucratic wasps. To benefit official favorites, tariffs and taxes are changed overnight. Special decrees suddenly permit free importation of grain or other commodities in limited quantities at the precise moment when friends or relatives of officials have the stipulated amount tied up in the customs. The effect of such decrees on competitors is ruinous. Labor organization, which in a number of countries is but the latest adjunct of the bureaucracy, furnishes further means of



The Plaza de Mayo, Buenos Aires



harassment; companies have been obliged to pay tens, even hundreds, of thousands of pesos to Government officials in key positions to get strikes called off. Examples could be endlessly multiplied. Most Latin-American Governments in matters of business, industry and investments have a feudal, favoritist outlook; they have inherited the super-State capriciousness of Spanish absolutism, but often with no saving grace

glassware, silverware, even some of the food, had come from the United States. The photographs on the wall had been taken with an American kodak and the frames had also crossed the Rio Grande.

Although Latin America is gradually learning, especially in South America, to bring in foreign experts, the recent petition in Mexico by the National Association of Teachers for the suppression of all foreign



Indian dancers, Rosario, Bolivia

Wide World

of patriotism, so that the lives and property of men are subject, not to fixed law, but to official whim and greed.

Nor have the Latin-American countries, except partially in those already excepted, taken pains to create a producing technique adequate to enable them to take possession of their own national patrimony. It is far easier for the individual to enter the bureaucratic machine than to risk life and health in a struggle in which he is ground between foreign competition on the one hand and his own Government on the other. Central Mexico, for example, has a climate and soil to grow everything in California and a hundred other products besides; yet Mexico City imports large quantities of California fruits. The other day, sitting in a local dining room, I observed not a single article made in the country: furniture, table linen,

schools represents a benighted attitude only too frequent which contributes to economic backwardness and foreign domination. Industrial knowledge in backward countries is not drawn from thin air; it must be imported. And not only must it be imported but the same technique, both of industry and civilization, which holds for the lowland regions of Argentina and Brazil equally with Europe and the United States, must, in the case of the extensive highland and tropical areas, be profoundly altered.

A fourth factor in the emergence of the tropical and subtropical countries is sanitation. The lamentable, though perhaps exaggerated description of Guatemala by Rafael Arevalo Martinez, Guatemala's most brilliant living author, presents a terrible picture of the effects of malaria on the health of the Guatemalan people.



In the lake district of Chile

To quote a Mexican authority, Señor Albert J. Pani, Cabinet Minister under Carranza, Obregon and Calles, the death rate in Mexico City (one of the most salubrious climates in the world) fluctuated during the years 1895 to 1912, that is, under the great Díaz, between 42 and 50, three times that of similar-sized cities in the United States,

two and one-half times that of comparable European cities and even higher than the mortality coefficients of the Asiatic and African centres, Madras and Cairo, in spite of the fact that there cholera is endemic. The Canal Zone, on the other hand, which the French company abandoned because of the terrific mortality, today has a lower

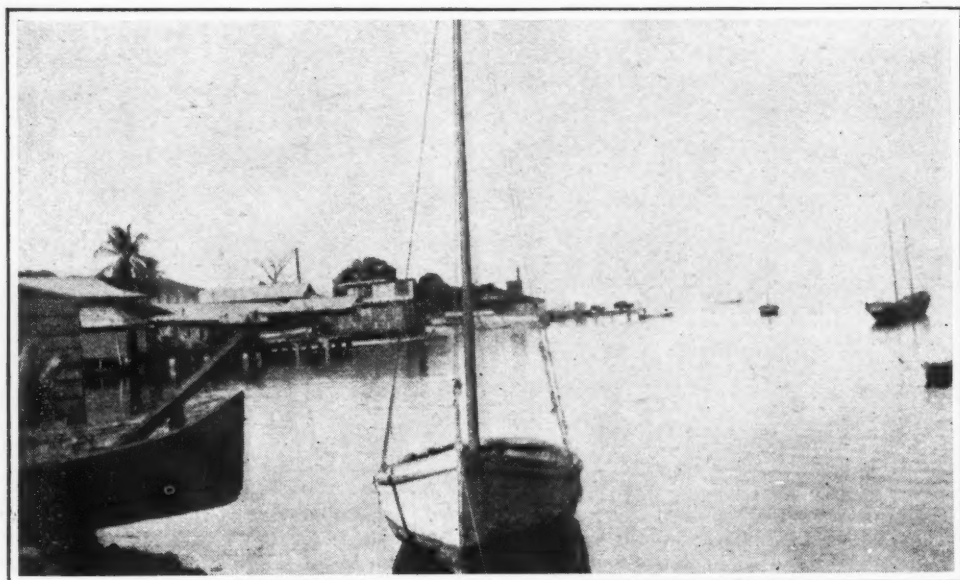


A colonial house, Lima, Peru

death rate than my own university city in the United States.

These deficiencies root in various social and historical facts beyond the scope of this article. Latin America is a series of geographical, ethnic and social layers that do not mix. Geographic unity is not represented by the region south of the Rio Grande as a whole—with its highlands and lowlands, its mountains and fertile plains,

feudal-minded *hacendados*, and *fazendeiros* and ecclesiastics, and power-mad, bombastic, and degenerate generals of the Facundo type. The persistence of the so-called aristocratic or *machete* forms of dictatorship, or equally deplorable conditions of disorder, in which personal ambitions ride roughshod over every claim of national welfare, leads directly to the present foreign exploitation of raw products because native energies



River scene, Punta Arenas, Costa Rica

its moist, humid areas and its vast deserts, its tropic and temperate zones—or by many of the individual countries with their violently contrasting physiographic and climatic features. This has resulted in vast differences in economic and cultural progress, and has contributed to separatism and local selfishness.

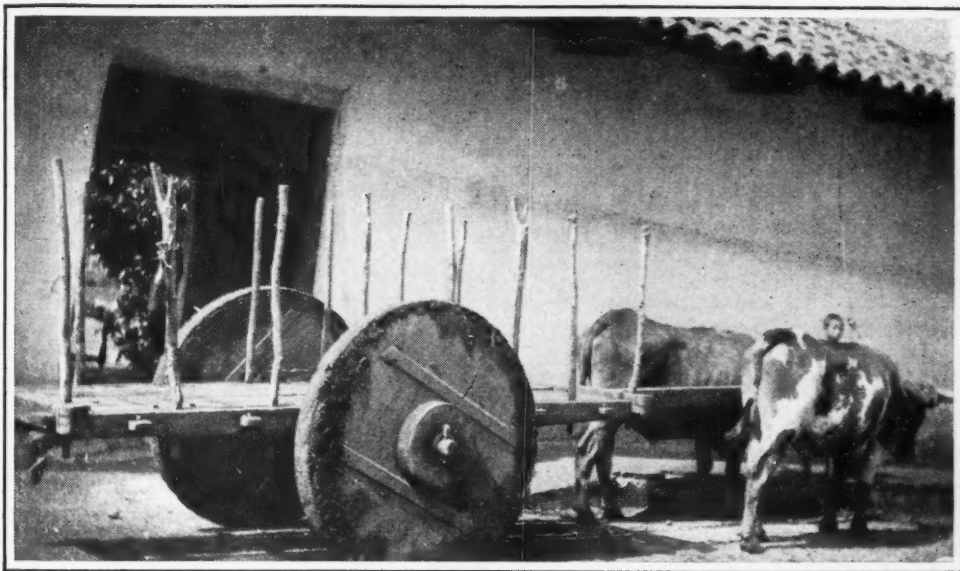
What is true of geography is true of race: almost pure European stock in Uruguay, Costa Rica, Argentina and South Brazil; predominately Indian stock in Mexico and Paraguay; the very mixed *mestizo* stock of Peru; the Indian, negro and Spanish of most of Central America, the Caribbean area and Venezuela; the Portuguese, Indian and negro of Brazil. Racial contrasts and plurality of types reflect lack of cultural homogeneity and engender violent shifts in political control. Such racial differences contribute to the continuation of violently opposing castes, to mass ignorance, superstition and fanaticism under the yoke of

are thus incapacitated, leads to foreign intervention and lastly to the general disunity of Latin America, a disunity fostered, also, by the many residues of past civilizations.

#### NATIONAL ANIMOSITIES

Central America, from the standpoint of international peace, has been a basket of snakes, each country stinging the other over boundaries, concessions, fancied rights. Only one Latin-American alliance has been carried to thorough completion, that between Argentina, Brazil and Uruguay to overthrow President Solano López of Paraguay and partition the country—an imperialistic struggle so terrible that it carried off nearly every adult Paraguayan male and has left the little nation prostrate to this day. The A B C has largely existed to pull American chestnuts out of the Mexican fire; mutual distrust among the three countries has led to competitive armaments. Chile imperialistically grabbed Tacna-Arica



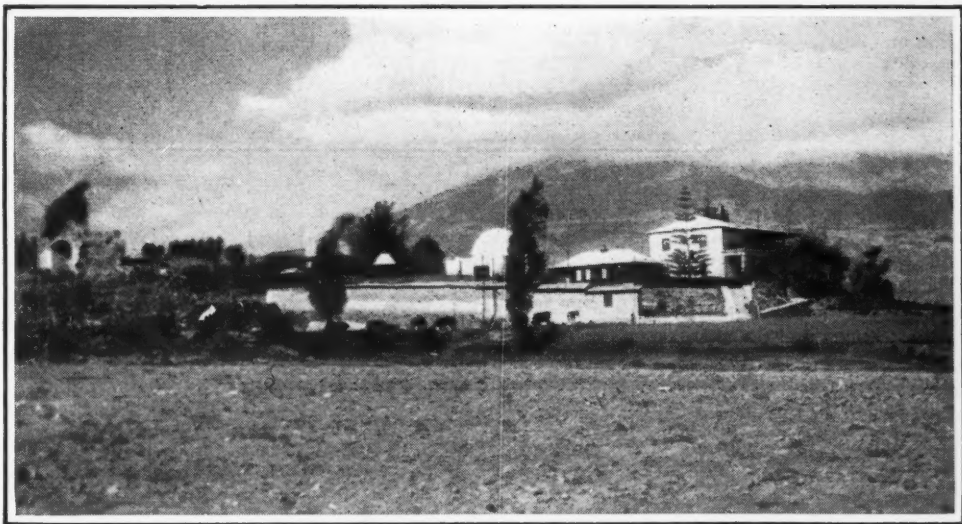


Native ox-cart used in Nicaragua

from Peru and Bolivia, and the three countries may war again. True, Mexico altruistically lent money to Colombia to help ward off foreign aggression, but it was never repaid. When Argentina under Rosas was attacked by France no one befriended her because the military dictators of sister republics were selfishly interested in oppressing their own bailiwicks.

Had the major Latin-American Govern-

ments the least spirit of solidarity, to which their common culture and aspirations should predispose them, they would ere this have insisted upon their right to cooperate with the United States in a practical way to ward off European aggression, police anarchic countries, settle boundary disputes and, in general, safeguard the dignity and sovereignty of the weaker Western countries. Latin Americanism, in a political



The Harvard astronomical station, El Misti, Arequipa, Peru

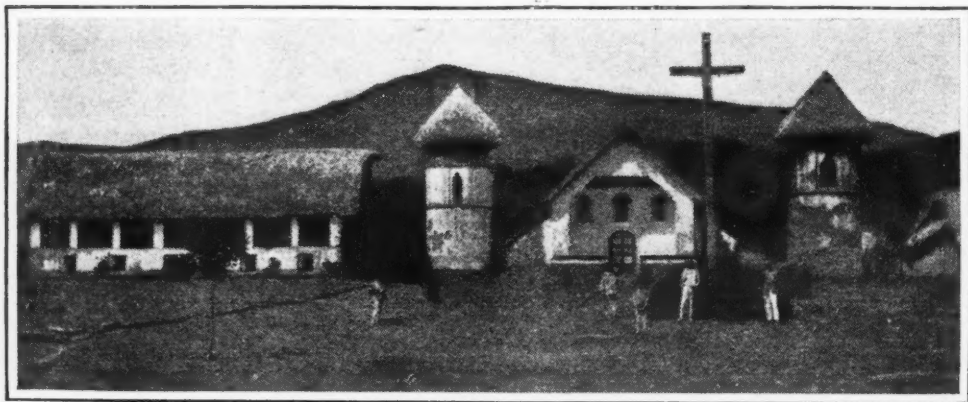
sense, still remains largely a myth. Ugarte, describing the political leaders of Latin America, gives one explanation (*The New York Times*, April 24, 1927):

In their various incarnations—tyrants, oligarchs, legal Presidents—they endeavored first of all to defend group privileges or local susceptibilities, without any sense of the continuity of the progress in each country, without any notion of linking up with bordering regions.

It was their lack of vision that at home turned over to foreign companies, without any equivalent, the mines, the monopolies, the concessions, and loans that were later to cause conflicts, tutelage and landing of troops, making them paralytic countries only able to walk with foreign crutches. It was their failure to divine future necessities that multiplied among sister republics the conflicts settled later, with the voracious imperialism as arbitrator. There is no example of a region so rich, so vast, so thickly populated, allowing itself to be bound hand and foot with such ingenuous docility. When some of our diplomats talk about the "Colossus of the North" they confess to a tragic mistake. The Colossus of the North was created by them when they abandoned to the banks and the foreign countries everything that represents the future development of the country.

This article, as an exposition of one special phase of the problem, is, perforce, supercritical. Not all the deficiencies treated are common in equal degree to all the twenty republics. Some have been models of peaceful government; some have reduced bureaucratic dishonesty and feudalistic exactions upon business to a minimum. Some are striving to develop national industry and native technique. Many have started campaigns against high death rates and unsanitary conditions—as Mexico and Salvador. International rapprochement among the Latin-American countries seems to be going through the throes of birth.

But Latin America owes a debt to itself and to the world and to the future solidarity of the Western Hemisphere to eliminate those deficiencies which have made it the prey of irresponsible Governments and have paved the way for American and other foreign intervention. Latin America needs more great civilian administrators such as Brazil and Costa Rica have had; it needs more great educators such as Sarmiento of Argentina, Bello of Chile and Vasconcelos of Mexico; it needs more scientists and anthropologists alert to the racial problems, such as Dr. Manuel Gamio (thrown out of the Calles Government for attempting to eliminate graft from his department); its submerged masses need honest, idealistic and social-minded leaders. It owes to itself and its future to turn definitely from militarist upstarts to civilian Governors as the little countries of Salvador and Costat Rica have done. The prevailing type of bureaucratic super-State Governments, based upon personal caprice, with their great gulfs between the social classes, their glaring contrasts of education and ignorance, is an anachronism in this century. Only through the building up of popular social organisms, made homogeneous and imbued with national loyalty and international solidarity, only by such constructive efforts, and not by the singing of hymns of hate and anticipating armed conflict between the two great cultures, will the Latin-American countries emerge from that twilight zone in which no one either affirms or denies their individuality. May the time rather come when the United States and Latin America truly represent mutually dependent expressions of human ideals and endeavor, bent upon a cooperative conquest of life and its problems.



Buildings of the Covendo Mision, on the Beni River, Bolivia

# Influence of the United States on Central American Progress

By WILLIAM JENNINGS PRICE

FORMER UNITED STATES MINISTER PLENIPOTENTIARY  
TO THE REPUBLIC OF PANAMA

**T**HERE cannot be a doubt that Spanish America, once independent, whatever may be the form of the Governments established in its several parts, these Governments will be animated by an American feeling and guided by an American policy." Thus spoke Henry Clay 119 years ago in advocacy of the recognition of the independence of South America from Spain.

In April last, when the diplomatic representatives in Washington of the twenty republics of Central and South America gathered in the Pan-American Union to do an unusual homage to the memory of Clay on the occasion of the sesqui-centennial of his birth, nearly every speaker quoted this prophetic statement. The Minister Plenipotentiary of Guatemala, quite with the brush of an analytical historian, painted upon the canvas of events, which outline and depict Latin-America, these two as outstanding: "The organization of the national life of its peoples in the political form of the republic" and "the organization of the national life of the States of the New World in a system of American harmony and solidarity." There were unanimously adopted resolutions introduced by the Guatemalan Minister praising Clay for having served "the ideals of a policy of cooperation in America with right as its foundation and organized for peace."

"If Bolivar was the father of Pan-Americanism in the South, Clay was the promoter of the movement in the North," said the Minister Plenipotentiary from Panama. Last Summer the centennial of the first Pan-American Congress ever held in this hemisphere was celebrated in a most handsome manner in Panama by officially designated representatives from the various republics of the western world assembled in an anniversary congress. Simon Bolivar conceived and called this first Congress, which, with its successors, notably that of 1889, has woven ties of friendship and solidarity among the twenty-one republics of this hemisphere. The ambition of Bolivar, however, for a great federation of

Latin-American States has not been realized and it has remained the lot largely of the great republic of the North to protect and safeguard the republican forms of government and the harmony and solidarity of the States of the Western Hemisphere as far as possible, while individually their high destiny is being worked out.

The Monroe Doctrine has warded off European and other aggression. Nevertheless, internal strife has seriously retarded development along political as well as material lines, notably among Central American republics, though their advancement has been marked. Ignoring a situation so patent to all had inevitably led to increasing complications so that when the Platt amendment came to be adopted with reference to Cuba and the Panama Canal Treaty of 1903, known as the Hay-Bunau-Varilla Treaty, was executed, the opportunity was offered to observe the effects of new contacts.

More than two decades have passed during which Cuba and Panama have enjoyed a peace and prosperity unknown in their previous history. Cuba is at our very door and the almost marvelous multiplication of wealth and its advancement toward the higher paths of a nation's life have been obvious. Farther away is Panama, which during the half century preceding the signing of the Canal Treaty went through more than fifty revolutions and serious disorders. Its development has been equally as remarkable as, perhaps proportionately more so than, that of Cuba in recent years. Great wealth has come to many Panamans in the enhancement of real estate values; to others in various fields of financial and commercial activity. National wealth and export and inland trade grow apace with the passing years. There has been railroad and concrete and macadam highway construction.

No statistics tell the story of progress so well perhaps as those relating to education. In 1903, when the Canal Treaty was signed, there existed but one public school in the



City of Panama and not more than three or four private ones. Education throughout the remainder of the area, which now constitutes the republic, was almost negligible. In 1926 there were nineteen public and nine private schools in the City of Panama with an enrolment of 10,936 in the former and 1,599 in the latter. These figures do not include the attendance at a large normal school for women and 1,573 students at the National Institute of Panama, its chief educational institution, corresponding to our State universities. Throughout the republic there was an enrolment last year of 54,214 in 446 public schools, staffed by 1,492 teachers.

#### THE NEW TREATY WITH PANAMA

"In the same manner that the men of 1903 signed a treaty to assure the political life of the republic," wrote the present very able diplomatic representative of Panama in Washington in a recent public letter to a critic in Panama of the treaty signed on July 28, 1926, to take the place of the Taft agreement, "the men of 1926 have negotiated another to insure perpetually its economic life." After negotiations extending practically continuously over a period of two and a half years, and, in fact, begun before our entrance into the World War, the new treaty was signed last Summer. The extended period of discussion and negotiation is itself evidence of the meeting upon common ground of respect and confidence of the more powerful United States and the smaller Panamanian nation. It constituted a carrying out in concrete form of a revered tenet of Pan-Americanism.

The Canal Treaty of 1903 awarded the United States the use, occupation and control of the ten-mile strip extending through the middle of Panama and five miles on each side of the centre line of the route of the canal, and the right to exercise sovereign power and authority over that territory exclusive of all others. The merchants of Panama particularly became alarmed over the competition that seemed to threaten them commercially from the exercise of these rights. Mr. Taft, then Secretary of War, visited the Isthmus, as a result of protests from Panama, and during his stay a *modus vivendi*, known as the Taft Agreement, was signed by representatives of the two Governments. It guaranteed free trade between the Canal Zone and Panama and required that all importations of merchandise, except those which the Canal Treaty stipulated should be free of duty for the use of the United States and its employees,

must be entered through the ports of Panama and pay customs duties to the republic. The stabilization of Panama's currency was provided for; a reciprocal postal agreement was arranged; commercial activities were largely limited to commissaries, and various minor covenants were included. Although the agreement was permitted by the United States authorities to continue in force a series of years afterward, it had been limited in its operation by its original provisions to the completion of the canal. It was finally abrogated by Congress.

The new treaty, now awaiting ratification, limits the sale, except to ships, of all goods imported into the Canal Zone by the United States for its commissaries in all practical respects to officers, employees, workmen and laborers in the service of the United States. It expressly provides that "the United States will not permit the establishment in the Canal Zone of private business enterprises" in the future. The new treaty also forbids any one to dwell in the Canal Zone except officers, employees, workmen or laborers in the service of the United States, of the Panama Canal or of the Panama Railroad Company; contractors and their employees and those engaged in the cultivation of small tracts and in the conduct of small establishments for the supply of the classes mentioned. The provision includes the families of the persons eligible to reside in the Zone. It is furthermore provided that there shall be reciprocal free trade between the Canal Zone and Panama; that bonded warehouses may be established in the Canal Zone; that the Atlantic and Pacific entrances of the Canal and the cities of Panama and Colon and their adjacent harbors shall be free from customs tolls and other dues upon vessels, their cargo and those aboard using or passing through the Canal; that the establishment of radio stations and sending and receiving sets and of aircraft and aviation centres in the Republic of Panama shall be subject to agreements of the two Governments.

A small change is made in the old treaty, constituting a concession to Panama, in the method of expropriating and valuing additional areas that may be needed for the operation or protection of the Canal; the two Governments severally agree to construct and maintain additional permanent highways through or near the Canal; a small area of Manzanillo Island, the site of the City of Colon, is transferred to the Canal Zone in consideration, among other things, of the expenditure by the United States of \$1,250,000 on certain highway building,



Statue of Vasco Nuñez de Balboa, at Balboa, Panama Canal Zone, looking over the Pacific Ocean, which he discovered

which will be most largely for the benefit of Panama.

The critics of the new treaty in Panama have based their opposition to its ratification mainly upon Article 11, which contains the following provision: "The Republic of Panama agrees to cooperate in all possible ways with the United States in the protection and defense of the Panama Canal. Consequently the Republic of Panama will consider herself in a state of war in case of any war in which the United States should be a belligerent." The first sentence is in effect nothing more than a reiteration of a like provision in the Canal Treaty of 1903. In regard to the second sentence, it would be difficult to conceive how Panama could effectively cooperate in the protection and

defense of the Canal without considering herself in a state of war if the United States should be at war. Panama, it is worth remembering, was the first of all nations of Latin America, in fact of the world, to join the United States and its allies in declaring war on Germany after the United States entered the World War. Nor did Panama lose anything; on the contrary, the republic gained thereby.

#### PANAMA'S WAR OBLIGATIONS

As an able defender of this treaty provision has pointed out, there are only three courses possible for Panama to pursue in the event the United States becomes involved in war: (1) Declare itself an enemy of the United States; (2) become its ally, or (3) be neutral. The first would be suicidal and the third would bring results hardly less disastrous. The obligations imposed by international law on neutrals are such that it would become practically impossible for Panama to comply with them except to the severe detriment of the republic if the United States should go to war and the Canal should become, as it would, all the more one of the most important waterways in the world. "Being, as we are, an unarmed nation," says Panama's diplomatic representative in Washington, "we have no obligation to raise an army in the event of war. By pledging to cooperate in all possible ways in the defense and protection of the Canal, we bind ourselves in the first place to prevent the republic's being converted into a breeding place for hostilities against that great enterprise (the Panama Canal) or into a refuge for its enemies or those of the nation that constructed it."

By the Canal Treaty of 1903, in no way lessened by the new treaty in this respect, the United States covenants indefinitely "to guarantee the independence of the Republic of Panama." As a consequence of this, Panama is saved from the greatest expense to which a nation is subjected, that of the maintenance of an army and navy. If it were true, as was remarked by Lord Kitchener during the World War, that since the Suez Canal had always defended Egypt, Egypt must help to defend the Suez Canal, all the more appropriate would be a graceful recognition of Panama's duty toward the great waterway that has enabled the republic to become an entity in the family of nations. Such recognition, indeed, means nothing more than simply removing from the path of a friend and benefactor techni-

calities which would plainly have to be brushed aside in the face of war's grim demands. The suspicions and fears of a small nation in close contact with a powerful one account for most, if not all, of Panama's qualms. A different phrasing of this provision of the new treaty and a more prompt publication of its contents might have prevented the unpleasant attacks to which it was subjected at the last session of the National Assembly of Panama and to which it may possibly be subjected when it comes before the United States Senate.

#### NICARAGUA'S TROUBLES

An interesting contrast with the advantages of trusting in the fairness and justice of the United States is afforded by the experiences of Nicaragua during the period since the choice of the Panaman route instead of the Nicaraguan for the construction of a canal. Referring to the recent civil strife in Nicaragua, there appears in the *Congressional Record* of the last session the following observation quoted from Colonel Weitzel, former American Minister to the republic: "One who is not a deserv-ing Democrat may, perhaps, be permitted to say in justice to Mr. Bryan that if the Senate had accepted his amendment (adding a provision like the Platt Amendment) to the Nicaragua Canal Treaty, the Nicaraguan problem would have been settled without bloodshed." Bolivar's prophetic predictions as to the importance of the narrow isthmus called Panama and the intense interest shown in it by France, Great Britain and other nations long before our own country realized its pivotal character, have now, especially in view of the increase of shipping and the world-wide extension of trade, served to enlarge the orb of the spotlight to include Nicaragua. Napoleon III wrote: "There exists in the New World a State as admirably situated as Constantinople. \* \* \* We allude to the State of Nicaragua. \* \* \* The State of Nicaragua can become, better than Constantinople, the necessary route of the great commerce of the world, and is destined to attain an extraordinary degree of prosperity and grandeur."

The already large volume of tonnage using the Panama Canal at this early date

after its completion perhaps may not, even with its present yearly increasing proportions, absolutely require the prompt digging of another canal to connect Nicaragua's two great lakes with the oceans, but eventually and at none too far distant a day it will. Certainly then, and it is hoped much sooner, there will dawn a new era for Nicaragua and its neighbors. There will be stability and the balm of peace and freedom from internal dissension. There will follow national enrichment and other material results which have been blessings elsewhere among the other Latin-American nations which have made closer contacts with the United States. Thus will be hastened the day when the tropics will become, as General Gorgas declared it susceptible of being, the natural and most habitable portion of the earth for the sons of men.

In 1923, a short time before his death, Diego M. Chamorro, then President of Nicaragua, gave utterance to the following observations and conclusions:

Nicaragua has by the accident of fate been chosen to help the United States in working out the problem of their relationship to Latin America. The problem is everywhere the same, for the United States is, by its power and place, the natural protector of these countries, and logically holds its place of influence in this hemisphere. Latin America enjoys existence as separate, free nations, in large part because of the United States. Even Chile and Argentina, for all their pride, owed their opportunity to achieve their high standing as independent nations to the United States; without the United States and the Monroe Doctrine they would, even today, be unable to stand before any first-rate European Power.

The difference between those others and Nicaragua, then, is that Nicaragua recognizes and is proud to admit the fact of this relationship with the United States. Nicaragua works with the facts as they are, and is solving its problems by the hard realities of its situation. \* \* \* Moreover, as I can say with authority, Nicaragua has not had and never will have any threats against its independence from the United States. For seven years I was Foreign Minister of Nicaragua; I was Minister in Washington for two years, and now for three years President. Never in all those twelve years have I found the United States grasping or unjust or unwilling to help us as wisely as they knew in all that concerned Nicaragua's welfare.

These words are well worth pondering at the present time.





# The Monroe Doctrine As an Obsolete Principle

By SAMUEL GUY INMAN

EXECUTIVE SECRETARY, AMERICAN SECTION OF THE COMMITTEE ON COOPERATION IN LATIN AMERICA; AUTHOR OF *Problems in Pan-Americanism* AND OTHER WORKS

THE World War, the League of Nations, the World Court, the Locarno Treaties and the recent growth of Latin America, all fundamentally affect the Monroe Doctrine, enunciated on Dec. 22, 1823, when the only republics in the world were on the American Continent, and the absolute monarchies of Europe were plotting against these new democracies. Three principles were involved in President Monroe's declaration, the whole of which has been often summarized by the words, "America for the Americans"—(1) No future colonization on the American Continent by outside nations; (2) No extension of the monarchical system of government on the American Continent; (3) Abstention by the United States from European affairs as a corollary to Europe's abstention from American affairs. The doctrine was well received by the Latin Americans, and Bolivar proposed that at the Panama Congress in 1826 all the nations of America should adopt it. South American statesmen had already made similar declarations in relation to Europe.

Latin-American suspicion of the Monroe declaration began only with the Mexican War, when the United States took about half Mexico's territory. It continued because of the unwise braggadocio of many of our statesmen concerning "Manifest Destiny"; was augmented by the Spanish-American War when the Philippines and Porto Rico came under the Stars and Stripes, and Cuba had her sovereignty limited by the Platt Amendment, and was still further increased by American military movements in Panama, Haiti, Santo Domingo, Nicaragua and Mexico. The most recent manoeuvres of the marines in Nicaragua have aroused a perfect storm of protest, the like of which has never been known before. The Monroe Doctrine, therefore, stands today in the eyes of the Latin Americans as one of the principal dangers that threaten their sovereignty. Instead of "America for the Americans" our Southern friends generally believe that the doctrine

now means "America for the North Americans"; instead of its being a protection from Europe they believe that it means a protectorate by the United States. Although many of our own statesmen are pointing to the noble unselfishness of the United States in its "big brother" attitude of protecting Latin America from Europe, Latin America is inclined to betake herself to Europe and to the League of Nations for protection against the United States. It is not, then, the original doctrine of excluding outside monarchical influences, but its more recent developments that cause concern.

In 1905 Santo Domingo found itself in grave difficulties with foreign creditors, and there were rumors of intervention by European countries. President Roosevelt decided to take over the customs of Santo Domingo and justified the act by saying: "Chronic wrongdoing or impotence which results in a general loosening of the ties of civilized society may ultimately require intervention by some other civilized nation, and in the Western Hemisphere the Monroe Doctrine may force such exercise of an international police power." After this epoch-making declaration we began the custom of fiscal intervention in the Caribbean countries, followed by military intervention in Santo Domingo, Haiti, Nicaragua, Panama and for shorter periods in other Caribbean countries.

Another amplification of the doctrine was what is known as the Lodge Amendment, when, in connection with the Magdalena Bay incident, the United States Senate declared: "When any harbor or other place in the American Continent is so situated that the occupation thereof might threaten the safety of the United States, this Government could not see without grave concern the possession of such harbor by any corporation not American that would give that Government practical control." Parenthetically, it is interesting to note that there is objection in the United States to Mexico, for her own protection, preventing foreigners from holding property within fifty kilometers of her borders. The United States, however, an-

nounced that she has the right to forbid any American nation disposing of border territory to any foreign corporation if that seemed to jeopardize the safety of the United States.

The next important development in the Monroe Doctrine was the adoption of Article XXI in the Covenant of the League of Nations: "Nothing in this covenant shall be deemed to affect the validity of international agreements, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace." The effect on Latin America of the United States forcing this article into the covenant has been to raise still further opposition to the doctrine. When Peru appealed to the League to settle the Tacna-Arica question, the Monroe Doctrine clause was cited against her appeal, and the question went to the United States. The failure of the arbitration by the latter only illustrates to Latin Americans how they are being cheated out of the help of an organization in which, in the beginning, they placed the greatest confidence.

Then came the statement by the North American representatives at the Fifth Pan-American Conference in 1923 that the Monroe Doctrine was unilateral and that the United States could not allow Latin America to share it with her, and the subsequent repetition and enlargement of that idea by Secretary of State Hughes.

#### REASONS FOR MAINTAINING DOCTRINE

Certain conditions have developed in recent years which from the purely national and material standpoint make the Monroe Doctrine more important to the United States than ever before. Of these the first place must be given to strategic reasons. The Panama Canal was built largely in order that our navy could be shifted quickly from the Pacific to the Atlantic or vice versa for the purpose of protecting the country. We then proceeded to build a larger navy and to secure the approaches to Panama so as to defend the Canal. For the same reason we bought the Virgin Islands, took over Porto Rico and claim a protectorate over other Caribbean countries. The protection of the Canal seems now to involve the United States in special relations with all the nations included in what our naval authorities call the "larger Panama Canal zone." The present situation in Nicaragua shows how far we are prepared to go to eliminate any supposed dangers to the present—or a future—canal. President Coolidge has recently made im-

portant declarations concerning this aspect of the question.

The second powerful reason for the enforcement of the Monroe Doctrine is that great capitalistic combinations from this country, seeking fields for exploitation in the smaller countries of the Caribbean, require peace and order and favorable consideration in order to carry on their business in those lands.

The third reason is that the world is less willing than ever before to permit anarchy or misgovernment which threatens peace, health and commerce, taking place in any part of the world. Unfortunately these smaller Caribbean countries have seldom been able to rule themselves without frequent revolutions. Until they have learned the lessons of peace and order there will be constant tendency of a large next-door neighbor to intervene and impose its ideas of government. These material advantages to our own nation are easily understood by the average man and account for much of the popular approval of the doctrine. The matter is well illustrated by extracts from Mr. Hughes's definition of the doctrine and Latin-American criticism of it. In an address at Minneapolis on Aug. 30, 1923, he said:

We have established a waterway between the Atlantic and Pacific Oceans—the Panama Canal. Apart from obvious commercial considerations, the adequate protection of this canal—its complete immunity from any adverse control—is essential to our peace and security. We intend in all circumstances to safeguard the Panama Canal. We could not afford to take any different position with respect to any other waterway that may be built between the Atlantic and the Pacific Oceans. \* \* \*

As the policy embodied in the Monroe Doctrine is distinctly the policy of the United States, the Government of the United States reserves to itself its definition, interpretation and application. \* \* \*

The United States is asserting a separate national right of self-defense, and that in the exercise of this right it must have an unhampered discretion.

So far as the region of the Caribbean Sea is concerned it may be said that, if we had no Monroe Doctrine, we should have to create one. And this is not to imply any limitation on the scope of the doctrine, as originally proclaimed and as still maintained, but simply to indicate that new occasions require new applications of an old principle which remains completely effective.

How this address was received in Latin-America is typified by the following extract from an article by St. Jesus Semprum, published in a number of the most important reviews of Latin-America:

If, in tropical America, there were a



The Capitol, Buenos Aires

powerful nation, conscious of its duties, of its situation and of its dangers, Mr. Hughes's discourse would inevitably plant a *casus belli*. For that which Mr. Hughes declares is that the United States will intervene \* \* \* that whenever it likes it will occupy by force American territories which it desires; it will enforce on other peoples the necessary obedience to carry out its own designs, to foment its own interests and to impose its unquestionable economic and political sovereignty in the New World.

It would be easy to cite literally hundreds of articles written by influential Latin-Americans criticising the new interpretations of the doctrine which carry us further and further into the determination of the internal policies of other countries. This article is written in Mexico, where the author is giving a series of lectures at the National University. Every day during the month of his stay from one to a half dozen articles appear in the newspapers condemning the present attitude of the United States in Latin America and all is connected with the Monroe Doctrine. Wise men, of course, may point out that this doctrine has nothing to do with the present tutelage which the United States is increasingly assuming in Latin-American countries, but most people, both in the United States and

in Spanish America, attribute all these new developments to the new interpretation of the old doctrine. Of many such articles let me cite a résumé of those appearing in South America, by an unbiased observer, Dr. John A. Mackay (of the International Y. M. C. A.) located in Montevideo:

Recent happenings have dealt a death blow at the young and lusty ideal of Pan-Americanism. \* \* \* Latin-Americans are far too considerate of the feelings of others ever to suggest to the great Pan-American foster mother that she has killed her own child; and, far more significant than the plaintive strains of a dirge, are the martial airs of the New Ibero-Americanists and the jingle bells of those others who now maintain with more insistence than ever that the true future of Latin-America lies in closer relations with Europe. \* \* \*

Leaving out of account Mexico and Central America, which are more directly connected with the events that precipitated the present crisis, the revulsion in South American feeling towards the United States has been marked in a number of ways. Eminent jurists have taken occasion to condemn the new interpretation of the Monroe Doctrine as an attack on national sovereignty and a perpetual menace to any Latin-American republic whose birth pangs as a democratic State might put in jeopardy North American interests. Hundreds of institutions throughout the Continent, but especially in the Argentine Republic, have



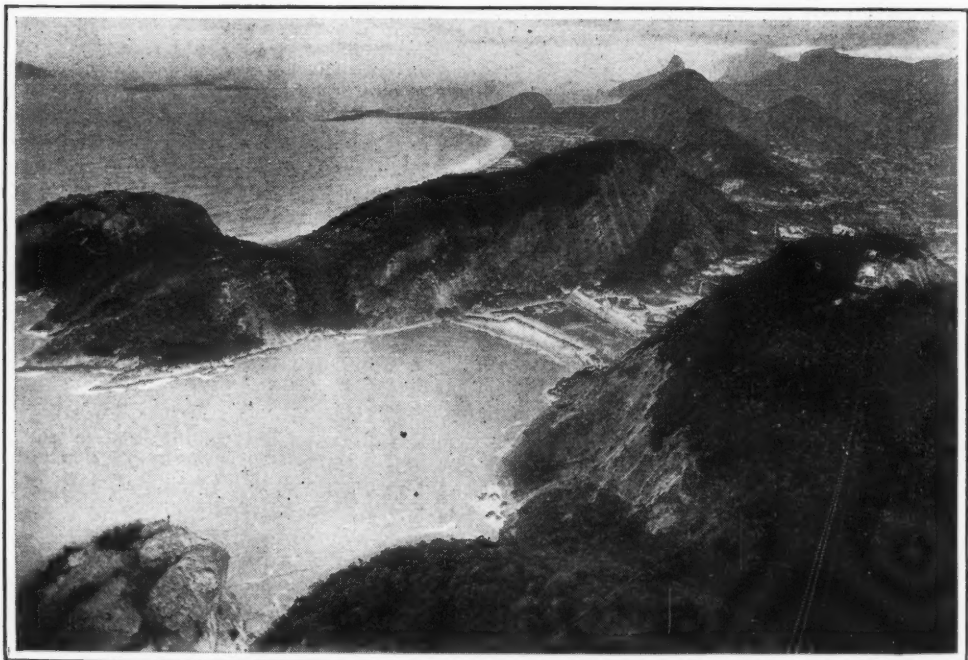
organized demonstrations of protest against what they call Yanqui Imperialism.

Europe no longer has a Holy Alliance made up of the absolute monarchs, formed for the suppression of a few weak republics of America. There are nearly as many republics in other parts of the world as there are in America, and Governments like that of Great Britain give as much opportunity of registering popular opinion as do republics. Not only does Europe have the League of Nations, but she has the Locarno treaties, and conferences which, if they do not always settle problems, at least bring publicity, which makes impossible today the scheming of the old Holy Alliance. So, also, the Latin-American countries, far from considering unity for the purpose of resisting Spain and Portugal, today often turn to Europe for spiritual and political inspiration, while they talk much of a Latin-American League of Defense against the United States. Most of them are in the full current of the international organization. Compare the old situation in 1823, with absolute monarchies planning to impose their will on weak American countries, and the present. The results of the World War seem to indicate that no nation in Europe or Asia is

now in position to force colonization or monarchical government on America.

Monroe said practically to the rest of the world: "You keep out of America and we will keep out of the rest of the world." But times have changed. The world is now so inter-related that the United States cannot keep out of any part of it. We could not keep out of the World War. We have been in practically every conference held in Europe since the close of the war. The Dawes Plan, the Opium Conference and the Arms Conference all show the necessity of our being in Europe. And more recently we, ourselves, even called a naval conference which met at Geneva. We are in Asia—we have sent troops to China ever since the Boxer Rebellion, and today we have them there in large numbers. We actually possess the Philippine Islands and we do not consult Japan any more about them than Spain consulted us about Cuba. The United States has become a World Power. We can no longer say to the world: "You keep out of America and we will keep out of your territory." When that reciprocity of exclusion is gone, then the main justification for the Monroe Doctrine before the world disappears.

When the Monroe Doctrine was pro-



Newman & Brown & Dawson

Rio de Janeiro as seen from Sugar Loaf Mountain

nounced the Latin-American countries were just beginning their independent life, and in spite of many handicaps, several of them have become strong nations. Brazil, with a population nearly equal to that of Great Britain, with more territory than continental United States, is just about in the same state of development as we were some forty years ago. Argentina is a well organized nation. Uruguay is the most progressive little country in social legislation in the world. The organization of the League of Nations has made a profound change in the international life of Latin America. Most of the Latin-American countries have joined the League and are taking an important part in its work. Latin America has furnished two Presidents for the Assemblies of the League and annually two or three of the elected members of the Council; two out of the eleven jurists forming the World Court are Latin Americans; the League's Department of Labor is followed very closely by Latin-American Governments, as is the Department of International Intellectual Exchange. *La Nación*, the great daily of Buenos Aires, recently said: "If we must choose between the Monroe Doctrine and the League of Nations we will choose the League."

The recent practice of non-recognition of Latin-American Governments, announced by President Wilson as applying to Governments obtaining power through revolution and applied to Huerta of Mexico and Tinoco of Costa Rica, has been recently extended to non-recognition when a Government enforces laws regarded as unfavorable to citizens of the United States (in the case of the Obregon Government), and, as a corollary, the backing of a Government, once recognized, by selling it arms (also in the case of the Obregon Government), and sending an armed force to support it, as in the case of Diaz in Nicaragua. This new practice is interpreted by some international lawyers of Latin America as an addition to the Monroe Doctrine and resisted strongly as an interference in the internal affairs of these nations.

The Monroe Doctrine, as recently interpreted, seems to place in the hands of the United States the determination of all American questions if she interprets these as important to her own safety. This is at variance with the practice of the modern world. The very rapid development of international life is towards arbitration. But there are two kinds of arbitration, compulsory and voluntary. The United States has led in voluntary arbitration. Our record

from the beginning of our national life, when we arbitrated questions with Great Britain, is an inspiring one. However, the world at large has now accepted arbitration as the best method for settling disputes. Some twenty-five nations have signed the optional clause of the World Court statute providing for compulsory arbitration, which means that they are willing to have disputes with other nations arbitrated by the Court and to accept the Court's decision as final. Latin-American nations strongly favor compulsory arbitration. The United States Senate has never been willing to pass a treaty for compulsory arbitration and recently has become particularly antagonistic to it. Yet the crux of the whole movement for world peace may, in a way, be found in this struggle between voluntary and compulsory arbitration.

#### INTERVENTION IN THE CARIBBEAN

The original Monroe Doctrine definitely stated that there should be no intervention by one Government in the affairs of another. During the last quarter of a century, however, that doctrine has been changed by the United States, since we have intervened many times in the affairs of the smaller Caribbean countries. Those acts of intervention have never been submitted to Congress, in spite of the fact that some of them have exercised military control with the suppression of all civil government. In Santo Domingo, for example, such a situation continued for eight years.

The modern way to intervene, if such a serious step is absolutely necessary, is by joint action of several nations. It is a most significant fact, not often referred to by the admirers of Mr. Roosevelt, that though he began the policy of intervention in Santo Domingo, he stated several times during his trip to South America that, if intervention became necessary in America in the future, it should be a joint affair between the United States and other American nations.

Just as the rest of the world has come to international organization through which it will settle its questions, so must we in America. Certainly the enlightened opinion of the United States does not wish to use our great power to force our will on our neighbors. Even if we wish to, we cannot do it much longer without coming into violent contact with Latin America and the League of Nations group. The only way out is through joint action. As already pointed out, Roosevelt and Wilson both saw the need of joint action, even be-

fore the vast development of international relations following the World War. In Santiago, Chile (what a different attitude one takes when he sees a country!), President Roosevelt said:

All the nations which are sufficiently advanced, such as Chile and the United States, should participate on an absolute equality in the responsibilities and development of this doctrine. \* \* \* It must be made a continental and not a unilateral doctrine. \* \* \* If ever \* \* \* intervention does unfortunately become necessary, I hope that wherever possible it will be a joint intervention by such Powers as Chile and the United States \* \* \* for the common good of the Western world.

In an address to Congress, to the Mexican editors and to the Pan-American Scientific Congress, President Wilson made clear his agreement with these sentiments of President Roosevelt:

The famous doctrine was adopted without your consent. \* \* \* I have repeatedly seen the uneasy feeling of Central and South America that our self-appointed protection might be for our own benefit. \* \* \* So I said, "Very well, let us have a common arrangement." \* \* \* The States of America have not been certain what the United States would do with her power. That doubt must be removed.

The agreement proposed by President Wilson was along four lines: (1) Guarantee of territorial integrity; (2) Settlement by arbitration of all boundary questions; (3) Arbitration of all disputes; (4) Prevention of preparation of military expeditions into neighboring countries. The proposed treaties along these lines would have solved much of the friction over the Monroe Doctrine. But in the excitement of the World War and the later discussion of the League

of Nations these treaties were never completed. However, the United States is in honor bound to take some kind of step toward carrying out such a joint agreement. The Department of State quoted these very words to Salvador, when that Government was hesitating to join the League of Nations because of Article XXI referring to the Monroe Doctrine. So Salvador and other Latin-American countries, despite their objection to the Monroe Doctrine article, went into the League in the belief that the United States would play the game fairly and work out an agreement whereby all American countries would have their sovereignty protected and a way provided for settling their differences and constructing ways of peace.

In order to make such cooperation possible, Baltasar Brum, then President of Uruguay, sent a plan



The House of Torre Tagle, Lima, Peru



to the last Pan-American Conference for the formation of an American League of Nations. This League would naturally take into purview questions involved in the Monroe Doctrine. "The principle of American solidarity, based on the constitution of a continental league," said Señor Brum, "is more ample than the Monroe Doctrine, because it will not only defend the countries of America against foreign invaders but also against imperialistic tendencies which might arise among themselves." The idea of this American League was not to provide a rival to the League at Geneva, but rather to cooperate with it on all world questions, while handling alone purely American questions. This was the most important matter presented to the Fifth Pan-American Conference in 1923. Although the delegation of the United States opposed such a League, the Latin Americans pushed it to the point of getting the following resolution passed:

1. To instruct the governing board of the Pan-American Union to devote especial study to the bases proposed to it by the Governments of the American nations in order to render closer the association of the American nations with a view to fostering common interests and to establishing international rules conducive to the same object.
2. To instruct the governing board of the Pan-American Union to give especial study to the bases that were proposed to it by the Governments of the nations of America in respect of the manner of organizing the common means for the defense and protection of the collective interests of the American continent.

Will the Pan-American Union make a full, frank report on this matter at the Sixth Pan-American Conference to meet at Havana in January, 1928? Or will the United States use its great power, as it did at Santiago, to sidetrack the issue? The recently published agenda of the Havana Congress makes no reference to the subject of these resolutions. Latin Americans insist that it is unthinkable that such discussion should not take place, and if anything is to remain of Pan-American accord, this question, so largely involving the Monroe Doctrine, must be frankly faced.

Two things should be made clear. The first is that it is a mere question of detail whether we secure this concert of American nations by the creation of a society of

American nations or whether we get it by the enlargement of the Pan-American Union. The sensible thing would be, of course, to build on the Pan-American Union, which has already done admirable work in its limited sphere of commercial exchange, and to organize an American Court of Justice. A third kindred movement which will be of great help is the codification of American international law, a meeting for which purpose was held at Rio de Janeiro in May, 1927, when an important report for the Havana Conference was prepared. The second matter to be settled is that the larger countries should have a larger voice—a principle accepted by the Latin Americans. On questions relating to sovereignty all should be equal, but on economic questions the larger countries would naturally have more influence than the smaller countries.

#### FUTURE OF THE DOCTRINE

It seems clear that the future of the Monroe Doctrine will be shaped not by fiat but by evolution. The officials of the United States Government can hardly be expected to pass a solemn resolution announcing the abandonment of the doctrine. Nor can Latin-American nations be expected to endorse the doctrine. (The effort to have them do this under most auspicious circumstances at the Fourth Pan-American Congress shows the impossibility of such action.) But what will happen, or *should* happen, is that this doctrine should be absorbed in a larger, newer conception of the duties and relations of all the American States. If President Wilson's prediction that "the Monroe Doctrine will become the doctrine of the world" is not fulfilled, at least through the evolution of closer understandings and international organization, it will become the doctrine of all America.

If the Government officials are able to discern the change of conditions in the new world of today, they will see that often great national policies like the Monroe Doctrine, which may have served faithfully under former conditions, now are elements of division and should be permitted to evolve into more comprehensive international understandings and juridical organizations.

MEXICO CITY, MEXICO.



# "Dollar Diplomacy" in Latin America

By HENRIK SHIPSTEAD

MEMBER OF THE FOREIGN RELATIONS COMMITTEE OF THE  
UNITED STATES SENATE

THE Monroe Doctrine is dead, and has been dead for many years. It lived only as long as its original spirit was followed. That spirit was the protection of human liberty. It was departed from by the United States in her policy toward Latin America fully twenty-five years ago. Today the Monroe Doctrine remains only as a diplomatic subterfuge. Its ideals are being used as a cloak to cover acts subversive of human liberty and contrary to the institutions and traditions of our nation.

At the beginning of the nineteenth century new political principles were challenging the existing order of society. The Thirteen American Colonies had revolted against the European monarchical system; the French Revolution had thrown down a firebrand into the heart of Europe itself; and in Central and South America republicanism was advancing by leaps and bounds. This new confession of political faith which was overturning the world was best expressed in our great Declaration of Independence, wherein it is stated that we dedicate ourselves and the soil of America to the principle that governments receive their powers "only from the consent of the governed."

The Treaty of the Holy Alliance had been signed by the leading monarchs of Europe with the main objective of building a barricade against the spread of this new theory of government. President Monroe and other American statesmen of the time looked upon this alliance, with its determination to maintain and extend the European colonial system, as a threat against the freedom of the whole western continent.

Accordingly there was enunciated a policy on behalf of the United States Government to the effect that any attempt on the part of European Powers to interfere with the Governments of our sister republics in the western continent would be met with the armed resistance of the United States. In the same message President Monroe stated clearly what was to be the relation of the United States toward these republics. "It is still the true policy of the United States," he said, "to leave the parties [the sister republics] to themselves, in the hope

that other Powers will pursue the same course."

This was the famous Monroe Doctrine. No statement of public policy has ever at its inception been more purely and unselfishly dedicated to a political ideal. It has been restated again and again, by successive Presidents and Secretaries of State. For instance, John W. Foster, Secretary of State in Harrison's Cabinet, in an address entitled "Misconceptions and Limitations of the Monroe Doctrine" before the American Society of International Law, said: "If the Monroe Doctrine did not contain a high moral principle of ethics and government which commanded the respect of all civilized nations we could not build a navy vast enough nor create an army large enough to enforce it against the hostile sentiment of the Great Powers of Europe."

During the past twenty-five years, however, much confusion has arisen regarding this historic policy, even in the minds of the statesmen who were conducting it. President Wilson, addressing the Southern Commercial Congress at Mobile on Oct. 27, 1913, said, in speaking of the Latin-American republics:

They have had harder bargains driven with them in the matter of loans than any other people in the world. Interest has been exacted of them that was not exacted of anybody else, because the risk was said to be greater; and then securities were taken that destroyed the risk. An admirable arrangement for those who were forcing the terms. I rejoice in nothing so much as in the prospect that they will now be emancipated from these conditions and we ought to be the first to take part in assisting in that emancipation. \* \* \* We must prove ourselves their friends and champions upon terms of equality and honor. \* \* \* Human rights, national integrity and opportunity as against material interests—that is the issue which we now have to face. \* \* \* We must regard it as one of the duties of friendship to see that from no quarter are material interests made superior to human liberty and national opportunity.

On Aug. 30, 1923, Charles Evans Hughes, then Secretary of State in the Harding Cabinet, in an address before the American Bar Association assembled in convention in Minneapolis, made these high professions:

The Monroe Doctrine does not attempt to

establish a protectorate over Latin American States. \* \* \* I utterly disclaim, as unwarranted, the observations which occasionally have been made implying a claim on our part to superintend the affairs of our sister republics, to assert an overlordship, to consider the spread of our authority beyond our own domain as the aim of our policy and to make our power the test of right in this hemisphere. I oppose all such misconceived and unsound assertions and intimations. They do not express our national purpose; they belie our sincere friendship; they are false to the fundamental principles of our institutions and of our foreign policy which has sought to reflect, with rare exceptions, the ideals of liberty; they menace us by stimulating a distrust which has no real foundation. They find no sanction whatever in the Monroe Doctrine. There is room in this hemisphere without danger of collision, for complete recognition of that doctrine and the independent sovereignty of the Latin American republics.

What was the cause of the last two rather heated restatements of the spirit of the Monroe Doctrine? What had been done since the lofty expressions of John W. Foster to call forth the above indictment from President Wilson or the violent protest of Mr. Hughes?

#### PRESIDENT TAFT'S VIEW

Viallate, in his *Economic Imperialism* (Page 62) quotes William Howard Taft, who in the meantime had also been President, as stating our Latin-American policy as follows: "While our policy should not be turned a hair's breadth from the straight path of justice, it may well be made to include *intervention to secure for our merchants and our capitalists opportunity for profitable investments which shall inure to the benefit of both countries.*" (Senate Hearings on "Foreign Loans," Page 86. The italics are mine.)

It is to Theodore Roosevelt that we must look for a solution of this apparent contradiction of aims and policies. Under President Roosevelt the spirit of the Monroe Doctrine suffered a fundamental change. Until his administration the European Powers had been left free to collect their own loans and protect their own nationals and property in the Latin-American countries. For over eighty years European Governments had from time to time bombarded Latin-American ports and landed troops on Latin-American territory to enforce settlement of disputes; and our diplomacy had always allowed a reasonable time to elapse before the Monroe Doctrine was strictly applied. One of the chief results of this was that the enmity of the Latin-American republics rested on the direct aggressors.

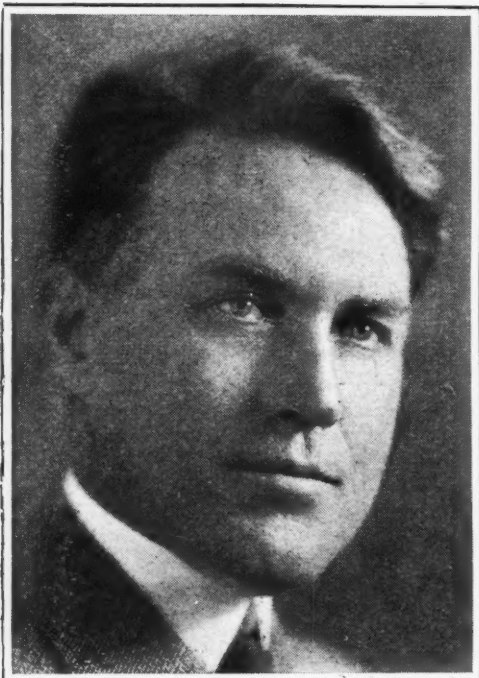
But President Roosevelt initiated the policy of making the United States the "policeman of the western continent." The assumption which he raised was that it was our duty to use the military forces of the United States to insure the settlement of all disputes in Latin America and to protect European as well as American life and property there if they were endangered; that if we did not do so the European Powers would come in, would stay permanently on the western continent, and so would threaten our national safety. The Monroe Doctrine was stretched to cover this new policy. At once Latin-American enmity began to rest on the United States alone, since we were the policeman in all difficulties.

Obviously, the Roosevelt policy itself was nothing but an indication of a fundamental change in our own attitude toward Latin America. From this, it was only a logical step to the policy of President Taft, Roosevelt's successor—"intervention to secure for our merchants and our capitalists opportunity for profitable investments."

At the beginning of President Wilson's first Administration we had made such progress in this direction and the Monroe Doctrine had been stretched so far that John Callan O'Laughlin, First Assistant Secretary of State under President Roosevelt and at present editor of the *Army and Navy Journal*, could say in his *Imperilled America*: "We are seeking to make and we proudly call the Caribbean Sea an American lake. \* \* \* We are maintaining a financial protectorate over Santo Domingo. We are applying the same system to Haiti and Nicaragua and have arranged for the purchase of the Danish West Indies. We kept a dictator out of Venezuela and drove another out of Nicaragua."

It is interesting to compare these various interpretations of the Monroe Doctrine with what our Latin-American policy actually has been at the times they were uttered and under the men who were uttering them. Mr. O'Laughlin states the case correctly for the day in which he was speaking. President Wilson, in spite of his fair words at Mobile, did nothing to arrest and everything to sustain the very policy in Latin America against which he was protesting. Mr. Hughes's policy will be referred to later. In terms of deeds, not words, our course in Latin America has advanced without a single deviation along the channel laid down for it by Presidents Roosevelt and Taft.





Harris &amp; Ewing, from Wide World

**HENRIK SHIPSTEAD**

Member of the Foreign Relations Committee  
of the United States Senate

At the present time, instead of maintaining "financial protectorates" over our sister republics in Latin America, it would be more correct to say that we are holding them under a form of military and financial dictatorship. These various military and financial dictatorships have been imposed upon the Latin-American countries under successive Administrations and by the force of American arms since 1909 up to and including the present day.

In the case of the Dominican Republic, we began by placing over her a military Government under United States auspices, supported by the United States marines, with a Lieutenant Commander of the navy as the "Officer Administering the Affairs of Finance and Commerce for the Military Government." To secure payment of six different American loans, the first in 1907 and the last in 1922, and a seventh loan in 1924, "a specific charge on the customs revenues" was made—these revenues to be "collected during the life of the bonds by an official appointed by the President of the United States." The "agreement" by which the revenues of the Dominican Re-

public were thus laid under mortgage was made between the United States and the United States-controlled military Government in Santo Domingo—the bond issue bearing the guarantees of the military Government as an "irrevocable obligation of the Dominican Republic." [Foreign Relations Committee of the Senate, hearing before Subcommittee on "Foreign Loans," exhibits 9, 10, 11, 12, 13 et seq.].

**MILITARY RULE IN SANTO DOMINGO**

A Provisional Government was established in Santo Domingo by the Military Governor, U. S. Admiral Robison, on Oct. 21, 1922, to provide for holding elections and reorganizing the Government. On July 12, 1924, General Horacio Vasquez, elected President for four years, was inaugurated. The convention between the United States and the new Vasquez Government stipulated that all acts of the United States military for the past seventeen years be ratified, all American loans be assumed as public debt, including a sinking fund issue bearing 9 to 18 per cent. interest, and a new refunding loan be accepted running up to \$25,000,000. The customs receivership was extended until all loans were paid. Thus liberty in our sister republic of Santo Domingo has a new birth under a fresh mortgage of her public revenues to American bankers, subject to foreclosure by intervention of the United States marines at any time when the public revenues fall short of bond and interest requirements.

We entered Haiti with our marines in 1915 during a revolution, under Wilson's first Administration. The excuse under which we acted was that of restoring order in the country. By 1916 we had advanced so far with this program that the legislative body of the Haitian Government was dissolved and Deputies and Senators were forcibly expelled by American marines, after which the Legislative Palace was padlocked. Shortly afterward an election was held under American auspices and a Senate and Chamber of Deputies more to our liking were elected. The first duty of this new Congress was to adopt a new Constitution. The American Legation made specific recommendations as to clauses in this new Constitution, and these were duly handed to the members of the new Congress by the new Haitian Government.

These "suggestions," however, were not universally adopted by the new Congress; and again, in June of 1917, gendarmes under the command of a United States offi-

cer of marines invaded the Legislative Palace. The files were looted and all records pertaining to the work already done by the Congress were taken away. Deputies and Senators were expelled; the Legislative Palace was once more padlocked, and a military guard was sent to prevent the reassembling of the legislators.

Then, in 1918, a Constitution for Haiti was drafted in Washington and forwarded to Haiti to be submitted to a vote of the people. A farcical "plebiscite" was held, with United States Marine officers in command of gendarmes running the polling; blue ballots were for and red ballots were against, and the Haitian people, now thoroughly intimidated, were told to cast blue ballots. The American-written Constitution was adopted by a vote of 99,000 to some scattering few hundreds in opposition.

This Constitution, now in force, provides for the election of the President and of the members of Congress by the people. It states that the election shall be called by the President on an even numbered year, but does not specify what year. The Constitution also provides that until an election is called, the legislative authority shall be vested in a Council of State composed of twenty-one members, all of whom are appointed by the President. This Council of State is given authority to choose a President in case no popular election is held. Up to date no even numbered year has been found in which to hold an election, although nearly ten years have elapsed since the Constitution went into force. All efforts on the part of patriotic Haitians to obtain a popular election have failed. The same President, Borno, is elected by the Council of State year after year, he having himself appointed the Council of State which elects him.

This Haitian incident gives an excellent cross-section of what our Latin American policy has actually become. Under President Wilson, who said "we must prove ourselves their friends and champions upon terms of equality and honor," we entered Haiti by force, twice dissolved her legislative assembly at the point of the gun, wrote a Constitution and forced it upon the Haitian people, and set up on Haitian soil a government contrary to all the principles of political freedom. This policy was in turn denounced by President Harding, but was carried on by him without change. It was being actively carried on by the State Department at the moment that Secretary of State Hughes was saying: "*I utterly disclaim, as unwarranted, the observations*

*which occasionally have been made implying a claim on our part to superintend the affairs of our sister republics, to assert an overlordship, to consider the spread of our authority beyond our own domains as the aim of our policy, and to make our power the test of right in this hemisphere."*

#### FINANCIAL DICTATORSHIP

South American republics have not escaped the net of American financial dictatorship. In Bolivia, on May 31, 1923, an issue of \$33,000,000 of 25-year 8 per cent. bonds was contracted to New York bankers, secured by a mortgage on all public revenues, as well as by stock of the Bolivia National Bank, with this unique redemption feature: "This bond is redeemable \* \* \* on or after May 1, 1937, and not before, at the rate of 105 per cent. of its par value and accrued interest." Bolivia's public revenues were, under the contract, placed in the control of a commission of three men, two of whom, including the chairman, were American bankers. A telegram from the United States Secretary of State certified to the execution of the instrument. (Exhibits 4, 5, 6, "Foreign Loans" subcommittee, 1925-26.)

The case of the Salvador 1923 loan is only another illustration. The details are reported by the *New York Commercial and Financial Chronicle* (Oct. 13 and 16, 1923), the *Diario Oficial* of El Salvador (Feb. 20, 1923) and in the Senate Committee hearings on "Foreign Loans," (Exhibits 1, 2, 3, "Foreign Loans" Subcommittee, 1925-26). In that year Salvador contracted for new bond issues aggregating \$18,500,000, at 8 per cent. and 7 per cent., respectively, for American loans, and 6 per cent. for a smaller British sterling loan. Secretary Hughes on Oct. 16, 1923, issued the following statement defining the official relations of the State Department to the loan contract in question:

The Department of State has no relation to the matter except with respect to facilitating the arbitration and determination of disputes that may arise between the parties, and the appointment of a Collector of Customs in case of default. \* \* \* The Secretary of State has consented to use his good offices in referring such disputes to the Chief Justice of the Supreme Court of the United States. \* \* \* Also at the request of the Government of Salvador and the interested bankers, the Secretary of State has consented to assist in the selection of the Collector of Customs. \* \* \* The contract also provides that the Collector of Customs, if appointed, will communicate to the Department of State for its records such regulations relating to the customs administra-

tion as may be prescribed, and also a monthly and annual report.

This means in plain terms that the Secretary of State, sixty days after his Minneapolis speech denying any "claim on our part to superintend the affairs of our sister republics," himself takes over the superintendence of the customs revenues of the Republic of Salvador. Six millions of the above mentioned bonds were sold to the President of the United Fruit Company at 88 per cent. of par value, according to the contract approved by the State Department. Commenting on the whole transaction, the *Diario Oficial* of El Salvador states that President Molina at first withheld his approval "because of the clauses robbing Salvador of her financial autonomy." But at length, through public need in Salvador and pressure on the part of the United States, the contract was signed—on the centenary of the signing of the Monroe Doctrine.

The situation in Nicaragua, lately much in the public eye, is the same as elsewhere in Latin America, with several flagrant features of its own. The excuse of protecting our canal-route concessions in Nicaragua is made the justification for controlling by force the internal affairs of that country, although no party or individual in Nicaragua has ever proposed to violate those concessions, and no sane man supposes that they could be violated by any Nicaraguan Government. Behind all this is a shadow of financial intrigue and imposition so shameful that American public opinion would instinctively repudiate our Nicaraguan policy if the facts were widely known. These facts are a matter of record in the Senate Hearings on Nicaragua, 1914, and on Foreign Loans, 1927.

Instances could be multiplied indefinitely; any well-informed American citizen is now aware that our present Latin-American policy is frankly one of economic aggression involving political dictatorship. It is still covered by the name of the Monroe Doctrine, but it has nothing in common with that doctrine as originally enunciated. In Costa Rica, Honduras and Guatemala, as well as in the countries already mentioned, the American financial protectorate is based on the same general methods. American banking and bonding interests, trading corporations, public utilities, hemp and timber concessions, represent the principal enterprises for which our Federal Government practices "dollar diplomacy" in Latin America. The State Department acts as commercial agency and diplomatic ref-

eree. The Navy Department furnishes and directs the United States marines to enforce the terms of the contract. The customs revenues of the various republics are the principal securities for American loans and investments, and the levying and collection of these funds are placed in the hands of agents either directly or indirectly responsible to the United States Government.

#### BENEFITS TO LATIN AMERICA

I am well aware of certain material advantages which we have brought about in Latin America during the past twenty-five years; I can from personal observation testify to the good roads, the harbor improvements, the sanitary betterment and the great work we have done in the elimination of preventable disease. But this is not the real question. If such things have not been achieved by the Latin-American countries themselves, and if they have been bought at the price of liberty and freedom, they are not worth while and will not endure.

The danger exists not only for Latin America, but quite as clearly for our own institutions at home. Since when have we entertained the pernicious theory that we must lift all neighboring countries to our own standards of life by military force and political control if need be? The moment that theory is actually accepted by the United States, we shall have lost the cause for which the American Revolution was fought and in whose name our Republic came into being as a nation. The country that denies freedom abroad has lost freedom at home.

Old-fashioned as it may seem, I still believe in the principles of human liberty. I still believe that the only way for humanity to advance is for the different unit-peoples all over the world to be left to govern themselves. I still believe that right and justice as between nations can not only be professed, but can actually be practiced. I still believe in honest diplomacy, in doing what you promise, in calling a spade a spade.

In the case of the Monroe Doctrine, we must do one of two things. Either we must abandon the idealism of the Monroe Doctrine altogether, acknowledging frankly what our acts are in Latin America and accepting the consequences both at home and abroad; or we must revive the idealism of the Monroe Doctrine, cleave to it in deeds as in words, and make our acts square with our professions.

It is a moral issue of first proportions. But moral issues work themselves out in



practical results. The question before us is: Can we afford, in dollars and cents, to pursue our present policy in Latin America much longer? Has "dollar diplomacy" really paid, in terms of national gain? It undoubtedly has paid well for a few interests and individuals. But does all this actually pay to the general commercial enterprise of the nation? The following statistics for 1925 and 1926 are taken from the monthly summary of the Department of Commerce for the year ended December, 1926:

UNITED STATES EXPORTS TO—	CALENDAR YEAR—		CHANGE (P. C.)
	1925.	1926.	
Mexico .....	\$144,720,323	\$134,994,164	— 7
Costa Rica .....	6,800,819	6,312,416	— 7
Honduras .....	9,569,937	7,540,286	—21
Nicaragua .....	7,434,539	6,264,272	—15
Salvador .....	9,193,916	9,556,521	+ 4
Cuba .....	198,655,032	160,487,680	—19
Dominican Rep. ....	17,763,577	14,572,376	—18
Haitian Rep....	13,711,585	10,857,427	—22
Total .....	\$407,849,726	\$350,585,142	—14

Thus, granting that the activities of the State Department and the employment of the United States marines have brought profits to perhaps a score of our leading industrial and financial interests, what is the gain to the general business of the country, to the merchants, manufacturers and farmers who have to work without the special services of the Federal Government in their behalf? Their lot seems to be to bear in taxation a share of the expense of a policy which benefits only a privileged few, a policy which netted a loss in trade of \$57,200,000 to the nation, or 14 per cent. of our total exports to eight of our sister Latin-American republics, in the calendar year just closed. These are serious figures. When an export trade shrinks at the rate of 14 per cent. a year, something is radically wrong with the policy which controls it. It is time to face the question in all candor.

Are we not "killing the goose that lays the golden egg" in Latin America?

The moral issue cannot be evaded. An unconscious boycott of American goods, based on growing enmity, is obviously beginning to operate in Latin America. And every day that our present hypocritical Latin-American policy goes on, we are losing prestige in the field of international relations; every day we are gaining the increased enmity of all the American continent outside our own borders.

The time may come when we shall need friends in the Western Continent, and elsewhere in the world. Before we discovered "dollar diplomacy" we had grown from a wilderness and a strip of seaboard to be the greatest and most respected nation in the world; we traded with all countries; our flag was welcomed wherever it went; and our trade followed the flag, because it was universally understood that behind our policy lay "a high moral principle of ethics and government." But today in Latin America we are rapidly dissipating the proud heritage of our traditions and history.

I said that both the spirit and the letter of the Monroe Doctrine were dead. No European Power is likely ever again to attempt to colonize the American continent. If such a move were made, it would immediately call forth the armed opposition of the United States, regardless of the Monroe Doctrine or any other policy. Thus to keep the bare name of the Monroe Doctrine alive, when its only excuse is as a cover for ulterior acts and motives, is a constant source of irritation on the American continent. The most statesmanlike policy which the United States could pursue in Latin America today would be officially to revive in all their force and integrity, in terms of present-day conditions, the ideals which the Monroe Doctrine originally espoused.



An island off the coast of Panama

# Shall We Form a League of American Nations?

By IRVING T. BUSH

FORMER PRESIDENT OF THE CHAMBER OF COMMERCE  
OF NEW YORK STATE

IT is only a little over one hundred years since the United States recognized the independence of the Spanish colonies of Central and South America, and promulgated the Monroe Doctrine. Shortly after, while John Quincy Adams was President, we were invited to send representatives to a Congress of American Nations, to be held at Panama. Henry Clay was Secretary of State, and influenced the President to accept the invitation. In his message to the Senate President Adams said his object was to manifest a friendly interest in the young republics, promote commercial reciprocity, obtain a definition of the terms "blockade" and "neutral rights," and encourage religious liberty. The proposal led to an attack upon the Administration, and the first Congress of American Nations failed of achievement. Since then the Monroe Doctrine has been our only definite policy concerning our neighbors to the south. In other respects we have drifted, temporized and been guided by the expediency of the moment.

Is it not time to count the cost of a century of temporizing, and ask ourselves whether we have lost or gained, measuring by the yardstick of international friendship? That is a yardstick by which we must, to a very large extent, measure all international values, for profit of trade and finance and security all follow in the wake of friendship.

When the Monroe Doctrine was adopted the United States was a much smaller nation and a lesser Power. The South American countries at that time were relatively unimportant. They were at the beginning of their development. The Monroe Doctrine was a warning to the then Greater Powers of Europe that they must not interfere with American affairs. It has frequently been called "The Big Stick," with Uncle Sam pictured wielding it, to protect both North and South America. Did we intend it to be a "Big Stick"? Was it not merely a statement to European nations seeking colonial expansion that they must cast their

eyes in other directions? Was not our real purpose to make ourselves for the time being policeman of both Americas, because we were then the only Power in America of a size to undertake that responsibility?

Is it not a better present-day interpretation of the Monroe Doctrine to call it an understanding that all nations of both Americas shall cooperate to maintain the Monroe Doctrine principles and elevate American standards? Is it not time to put "The Big Stick" on the shelf for good—for every one's good?

For generations we have seemed to have no policy with respect to some of the backward nations of this hemisphere, except one of expediency. Sometimes we have interfered forcibly, sometimes we have held aloof, and sometimes we have made the best trade possible through old-fashioned diplomatic conversations. This has been especially true of Mexico. The result has been the uncertainty which always follows an uncertain policy.

Almost any policy is better than none. Most of us would like to know where we are heading, even if we do not like the destination. It may be that nature, by creating the narrow point at the Isthmus of Panama, has determined a boundary for our immediate concern, and justified a policy for North America which would be unwarranted south of the Isthmus; but the fact remains that our South American neighbors of Latin extraction and sympathies, many of them speaking the same language as the Mexican people, would view with suspicion and distrust any extension of our territory to the south. We are on the two horns of a dilemma. We cannot go into Mexico and we cannot stay out. We must not give offense to the people of South America, yet we must protect the lives and rights of Americans in Mexico. Is there any way by which these two apparently irreconcilable desires can be reconciled and accomplished?

Until Díaz came into power the American investments in Mexico were unimpor-

tant, and, if we be honest, we must admit that the safeguard of American money in Mexican enterprises is the real difficulty. If American money was not invested in Mexico, the lives of Americans would not be at risk; they could get out, and, if necessary, stay out. Díaz was a man of iron. He ruled with a strong hand. He encouraged the development of Mexico by Americans, but he did little to educate the Mexican people or to improve their conditions. He was an autocrat, and it was the policy of the United States for many years to work with him, because his rule safeguarded our interest in that country. We cannot escape some responsibility for the result of Díaz's rule. An autocrat may be strong, but he cannot be permanent. When he passes a struggle for power ensues, and chaos results. The only autocrat who will leave permanency behind him will be an autocrat who uses his power to elevate his people to the point where they can safely govern themselves. If our problem in Mexico is to be permanently solved it must be through the upbuilding of the fiber of the Mexican people and not through the temporary strength of an autocrat who will act as the policeman of civilization.

We would not go to war with France or England for the causes for which many urge the justice of the use of force with

Mexico. We have not gone to war with Russia for causes which differ only in degree. This may be a technical answer, but the vital reason why we cannot consider the permanent occupation of Mexico is that we are one of a family of American nations, and good-will and understanding among all of that family is essential.

#### COLONIAL EXPANSION

Before the war the gentle art of taking over the territory of smaller nations by the Great Powers was deemed respectable. This method ceased to be respectable when the war ended. The world was filled with protestations of righteousness, and the men who pulled the political strings behind the big rulers, always quick to shape their course by the winds of circumstance, decided that it was necessary to find a new window dressing for colonial expansion. They recollected that the world had always swallowed their protestations that the people who lived in colonies were benefited by the guiding hand of the civilization of the Great Powers. They invented the word "mandate" and in solemn meetings parceled out the colonies formerly controlled by Germany among the Allies, upon the theory that it was a sacred trust to control the destiny of inferior people and raise their standards.



Pocitos, the seaside resort of Montevideo, Uruguay

Newman



The mandate idea has become so popular that even here in democratic America we are beginning to talk about it, but if it be applied to Mexico it means that a control of Mexican affairs must be exercised against the will of an established Mexican Government. I am willing to admit that it probably would be to the benefit of the people of Mexico, but the difference between it and the forcible occupation of Mexico as a colony is so thinly veiled as to make it difficult to explain, even to a trusting world. What is needed in Mexico is a program which will lead definitely to the establishment of stable government and safety, a program of slow upbuilding of Mexican standards through friendly outside help.

At this point I might ask if Mexico is our problem alone? Are we the "Big Stick," or can we get back to a Congress of American Republics? Is it yet too late to realize the dream of Henry Clay? Should not a League of American Nations accept the responsibility for standards of justice between the peoples of America? Even though such an association may have real disadvantages, is it not very much better than making ourselves a policeman, and getting thoroughly disliked for it? "A policeman's life is not a happy one."

Mr. Wilson made a gesture in the direction of a little cooperative housecleaning. I have been told by one high in the councils of President Wilson that during his first term of office, when the relations between this country and Mexico became acute, he suggested to Argentine, Brazil and Chile—the so-called "A B C" nations of South America—that they join with the United States in a demonstration intended to convince Mexico that the rights and property of foreigners in that country must be respected. I am told that although he went so far as to suggest that the entire expense of the demonstration might be borne by this country, the three countries in South America refused to entertain the proposal. Is not an association of all the countries of North and South America better than a voluntary grouping of the four most powerful, and may not the result, in time, of some such league, be exactly what President Wilson then had in mind?

#### PAN-LATINISM

We have a great habit of dressing up old ideas and calling them by new names. Internationally we are running wild just now on the "Pan" idea, which is nationalism carried over the boundaries, a kind of inter-

national nationalism. When we get tired of "whooping it up" for things inside our own country, we become Pan-American, or Pan-Latin, or Pan-European. Some are even talking of pan-worldism. I might subscribe to the last, if I thought the world were ready for it. Unfortunately it is not, for the high spots and low spots of civilization are too far apart for pan-worldism to become a reality. On the whole, I think pan-common sense is the only cult worth joining in the whole pan family. At least that can play upon the pipes of peace. However, whether we join them or not, other people are doing so, and taking their programs very seriously. One of the more recent is Pan-Latinism, which seems to be an attempt to incite France, Italy, Spain and all the other so-called Latin races against the rest of the world. The fact that France, Italy and Spain have never been able to get along among themselves does not discourage the enthusiasts. We are told that every one in South America is sitting in the lap of Latin Europe, and turning a cold shoulder to Uncle Sam, and all because of the Pan-Latin movement.

#### A PROUD PEOPLE

It is true that the people of South America like the people of Latin Europe better than they do us. Why shouldn't they? Isn't it reasonable that they should like those who speak their own language, worship according to their own faith and send their art and music to them? There are more travelers from Europe and therefore more and better steamers, and when the South American reaches the Old World he finds there the same charm and culture that we find. All this is true and has been true for generations, but it is not due to any Pan-Latinism or any other pan-bunk. It is due to perfectly natural and understandable causes. It is less true today than it was before the war. We have more trade than then, and trade has brought travel, and in their train have come better ships and more frequent sailings. Our financial dealings with the Latin Americans are most important. We buy their bonds and they spend more of the proceeds here. The ties are as yet economic ties, but they are closer. We want them to be closer, and self-interest should make us show our best side to them. They are proud people, with different and in some ways more gentle manners than our own. They judge us by those we send to them to represent us. It is better now, but the broken-down politician who in many cases filled our consular offices in years



Entrance to the Cerro Santa Lucia, where a rocky eminence has been converted into a park and become a favorite promenade at Santiago, Chile

past was not a person to make friends for us. The "go-getter" salesman perhaps got them to the dotted line, but not always in the Castilian manner.

These were passing and inevitable phases of our and their development, but they have left us something to live down. There is reason for a new understanding. They have grown in numbers and culture and so have we. Our growth has been the greater, and our rise to power and wealth the more spectacular. With it have come responsibility and danger—the danger of arrogance and of being overbearing. When we talk of our "mandate" to help them, we dig the grave for their friendship. Can you remember loving any one who felt that he had a mandate to help you?

#### THE GREATEST NEED

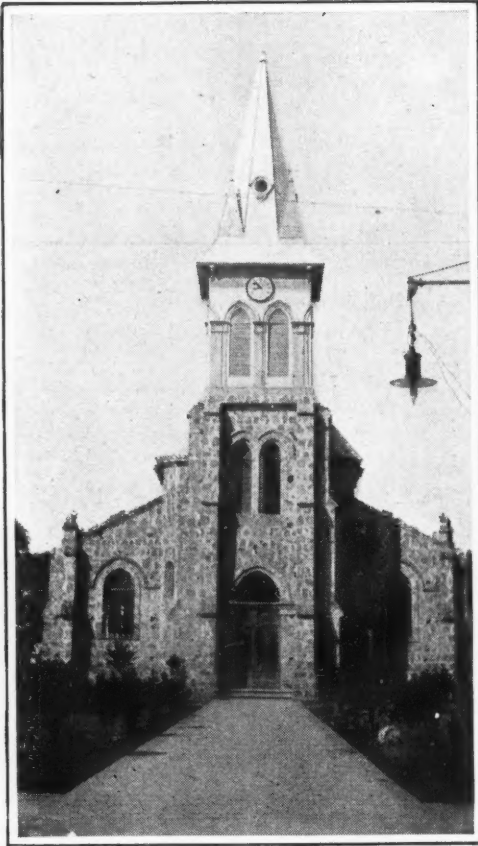
Pan-Latinism will not get the Latin-Americans anywhere and mandates will not get us anywhere. What is needed is just human friendliness and common-sense understanding. We should show them our best side, and look for theirs. We should get the representatives of all the Americas around the same conference table, and we should not complain if we do not always get the best of it. The best thing for us may be to get the worse end a few times. We can

afford it and they will like us better, if we are "good sports" and take the bitter with the sweet.

#### BASIS OF ORGANIZATION

Is it not possible to make a beginning, through the organization upon very simple lines at first, of a League of American Nations? Can we not adopt as a permanent policy in the place of the drifting, hit-and-miss policy of recent generations, a definite plan to put squarely up to all the American nations the curing of intolerable conditions in any nation which affect the rights of the people of the others? Isn't it about time to lay the "Big Stick" on such a doorstep and give Uncle Sam's wrist a rest? Would not such a league pave the way for a solution of our most immediate Latin-American problem in Mexico?

Most of us are willing to accept as sound in theory the principle underlying the League of Nations having its headquarters at Geneva. We have declined to become a member for two basic reasons: We do not think we should be called upon to help settle the problems of Europe, with which we are unfamiliar, and we do not wish to have the people of Europe interfere in the settlement of the problems of America, with which they are unacquainted. The time may come



Church at Punta Arenas, Costa Rica

when we shall change our minds and take part in a world's League of Nations. We do not think it has come yet, but is there not much to be said in favor of a creation of an *American* League of Nations? We believe in disarmament and the arbitration of international differences. Can we not well afford to take the lead in creating a recognized machinery for the purpose of doing this work for both Americas? Will not the inevitable result of the work of such a League be a better understanding of our motives on the part of the people of South America, a lessening of their suspicion and greater friendship? Will not the protection of property rights in other American countries, and the adoption of recognized standards for the relations between the nations of both Americas be among the first things to receive consideration by such a League? Will not the inevitable result of such an association of American nations be to raise the standards of backward countries?

At the beginning, we may have the most to lose, but in the end we have the most to gain by the promotion of understanding between American nations, by the elevation of their standards, the stabilizing of their relations and the removal of the existing distrust and suspicion of our motives. Would not the sinking of our nationalistic spirit and helping to put the American house in order, to the end that democracy may be justified by liberty and friendship in this hemisphere, be the best service that we could do the world? Is not a League of American Nations desirable and necessary as a step toward this end? Is there any inconsistency in taking part in a League of American people, with a definite limited objective to solve problems of this hemisphere of which we are a part, even though we refuse to join a world's League dealing with problems in which we have a deep general interest, but which concern more closely the people of Europe, and involve the question of armed interference on another continent, between nations having age-old enmities—problems, many of them, so removed from our sphere of knowledge as to make us uncertain which side is right?

#### THE TRUE PAN-AMERICANISM

I believe a League of *American* Nations, conceived in the right spirit, will do great good. If it means Pan-Americanism, as that term is usually conceived—America against the world—I want none of it. If it be conceived and run in a spirit of responsibility to high American ideals and standards, I want all I can get of it. A league so conceived has no enmity with Europe or any one else. It will be a meeting place to maintain international justice among American peoples, and promote those things which have to do with honor and friendship. Selfish interests can be left to the spirit of nationalism running wild in all countries. We cannot afford only to preach ideals; we can afford something much more rare—to practice them. Aside from every altruistic reason, enlightened self-interest should compel us to forget our power of force, and remember how infinitely more potent is the power of friendship and mutual respect. Measure the advantage in dollars and cents, if you please, or by any standard you may set—the balance is on the right side of our ledger.

Frank discussion is never belittling, but if it seems so to some, is it not time for us to prove we are "big enough to be little enough to be big"?



# Steps Toward Latin-American Solidarity

By BALTASAR BRUM  
FORMER PRESIDENT OF URUGUAY

IT has always been more advantageous for nations, even in the primitive epochs of humanity, to work and progress in peace than to wage war. In the state of war all privileges and advantages are on the side of the leaders, who never risk their lives; they increase their political influence, they receive the honors of the conflict and they take for themselves of the booty won from the enemy what may be called "the lion's share." The people themselves, on the contrary, are burdened with all the disadvantages and injuries; it is they who pay the supreme sacrifice, who suffer from the necessity of leaving their families, from the abandonment of their work, from the poverty of their homes, who receive only a negligible part of the material results of victory and who obtain no moral benefit.

If, despite all this, the masses of the people have decided at all times and epochs to wage war, at the risk of their own lives and with the object of killing the people of other nations, there must have existed, or it must have been found necessary to create, very powerful motives to justify so great a sacrifice. In religious wars we see the influence of some of those motives, real or apparent, approved or invented by the nation's leaders. To this end the idea was spread that one's own religion was the only true religion and that the people who professed it were the elect of a determined divinity. This characteristic of an "elect people" was based upon legend and was defined, as regards other peoples, in terms of differences of color, anthropometrical characteristics, customs or language. The leaders of the State spread the belief that men of other religions were enemies of God. They taught the doctrine that to despoil, enslave or kill those men, over and above the consideration of booty, was a service to the divinity, from whom all the greatest blessings of life, as well as those attainable after death, could then be expected. And this explains the ruthless cruelty and fury of those who waged "holy wars," i. e., religious wars.

Now it may be said that both the influence and the effects of these religious motives of the first wars have persisted and been perpetuated throughout the course of centuries, even when they seem to be disguised or dressed in new forms connected with national honor or with defense of national rights and interests. At first, war was waged by one tribe upon another, then it was extended to whole peoples; later groups of peoples, even when not bound together by ties of race or religion, fought against each other, for reasons of common advantage; this was the case until the nineteenth century.

Some great countries, such as Russia and Germany, saw the possibility of increasing their military forces with the help of other peoples, whom they hoped to win over by arguments of a moral nature rather than by economic considerations. The responsible leaders of Russia and Germany fostered the grouping of all peoples of the same origin, thus creating "Pan-Germanism" and "Pan-Slavism." If we study the characteristics and tendencies of these groups, we note that they show great similarity to the state of mind of primitive peoples, for, like them, they are united into a group because they have the same antecedents of race, tradition, history, outlook on life, language or custom; furthermore they consider as enemies all other peoples remaining outside the group. The "Pan-Slavists," for instance, believe that all other human communities should be subjugated and even destroyed, so that their own race, conceived by them as superior to all and as the race most favored by God, may predominate.

These groupings of peoples, then, are based on a feeling of open hostility to other peoples, whom those of the given group would like to oppress, subject and annihilate as far as possible. The results of this unfortunate policy are well known. The Old World, for this reason, has been a permanent battlefield, with most unhappy results. The fever of predominance and territorial expansion shown by national leaders has led



BALTASAR BRUM  
Ex-President of Uruguay

only to the death or the misfortune of the people whose destinies they directed.

The American Continent was populated by men of two races, the Latin race and the Anglo-Saxon. But whether because of the distance that separated some peoples from others, or because of the difficulties of communication in peace as well as war, or for other reasons, it is certain that these people did not, as in the primitive communities, form groups mutually opposed. Moreover, from the first period of the liberation of America, men like Bolívar and Clay, among others, aspired to establish a moral union of the people belonging to both races. These plans were not realized and the peoples of the New World remained isolated from this viewpoint, until the present century. In recent years, nevertheless, propaganda has been made in favor of grouping the peoples of America on the basis of community of race. First, it was proposed to unite those of Spanish descent and thus create "Hispano-Americanism"; this idea was later extended to embrace Brazil, giving to the group the name of "Ibero-Americans," as a group made up

of the peoples (Spanish and Portuguese) who come from the Iberian Peninsula.

President Carranza of Mexico fathered another tendency, called "Indo-Americanism," the object of which was to ally the Americans of Iberian origin to the great aboriginal races that still survive. This idea may have found a favorable atmosphere in Peru and Mexico, the native population of which, at the time of the Conquest, could boast of a splendid civilization. But, in Rio de la Plata, inhabited by Indians who lived in a state of complete backwardness and finally completely disappeared, leaving behind them neither monuments nor traditions, this idea made no progress.

Lastly, "Pan-Latinism" must be referred to. This does not show a very definite plan of action, but it is postulated as a matter of course when people speak of Latin America and of the cultural bond predicated of the peoples who form part of it. It is based on two main factors: the existence of great popular masses, due to Italian immigration, which has contributed to the formation of a new type in South America, and the spiritual influence of France. Pan-Latinism is perhaps the most acceptable of the systems of international coordination which I have mentioned, because it is based on real facts; but it is evident that it, as well as the other three tendencies listed, are all inspired in the points in common between them by the Old World. The chief objection to them all is that they transplant to America all the difficult problems with which primitive communities were confronted. They aim at establishing a group of united peoples, facing other peoples who are excluded from the group. They are defensive nuclei, based on the memory of common glory and invoking, frequently, altruistic motives of social reform, but which also, very easily, might be converted into aggressive alliances under the influence of opportunistic interests and a policy of expediency.

#### PAN-AMERICANISM

Above these racial tendencies there arises in America "Pan-Americanism," which seeks the fraternal rapprochement of all the peoples of the New World, without troubling to point out the differences of descent, language, religion or customs, or to make of them a motive of repudiation or separation. Pan-Americanism proclaims the union of the countries of this continent, not as an alliance destined to realize sordid ambitions of domination, but as a policy of harmonious

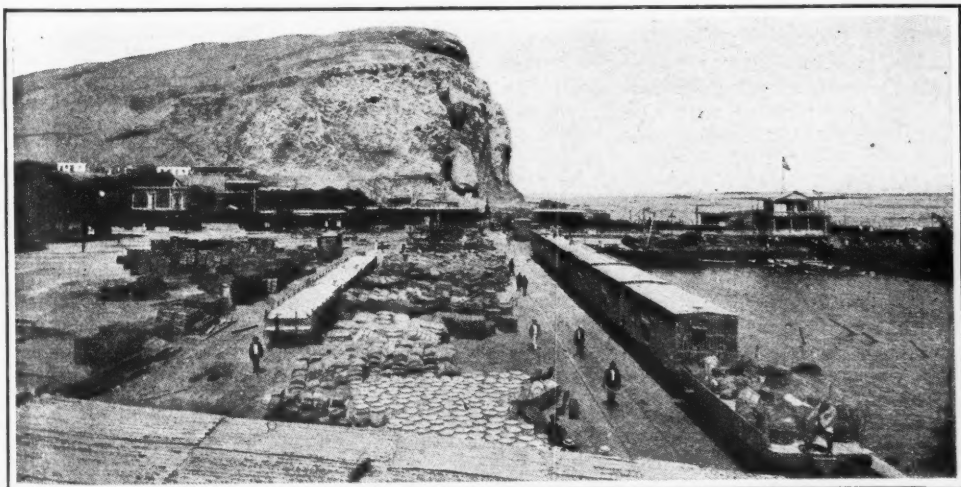
cooperation, based on the mutual respect of peoples and on a desire to reach peacefully the realization of their highest destinies. While the old-style groupings were organized for the destruction of hostile peoples, Pan-Americanism stimulates feelings of friendship, with the aim of attaining an effective solidarity between men and nations. And this is possible in America, for the peoples of this continent are not divided by traditional enmities, but, on the contrary, have common historical antecedents in the struggles for liberty, which occurred not so very long ago.

But for Pan-Americanism to triumph, it is indispensable that the United States of America should cordially adhere to these beginnings and give practical support to that adhesion by corresponding and fitting acts of government. The conduct of the United States in recent years has obstructed the progress of this noble tendency toward loyal cooperation on this continent, and has favored, on the other hand, the intrenchment of Pan-Americanism, the development of other racial tendencies and the formation of groups organized for resistance. If the United States modifies this ambiguous policy, quiets the minds of its neighbors and dissipates the suspicions suggested by its international policy, Pan-Americanism may yet triumph.

The Pan-American doctrine has found expression in various congresses of international law; and, so far as Uruguay is concerned, in governmental and popular acts. I may here recall, first of all, the decree of

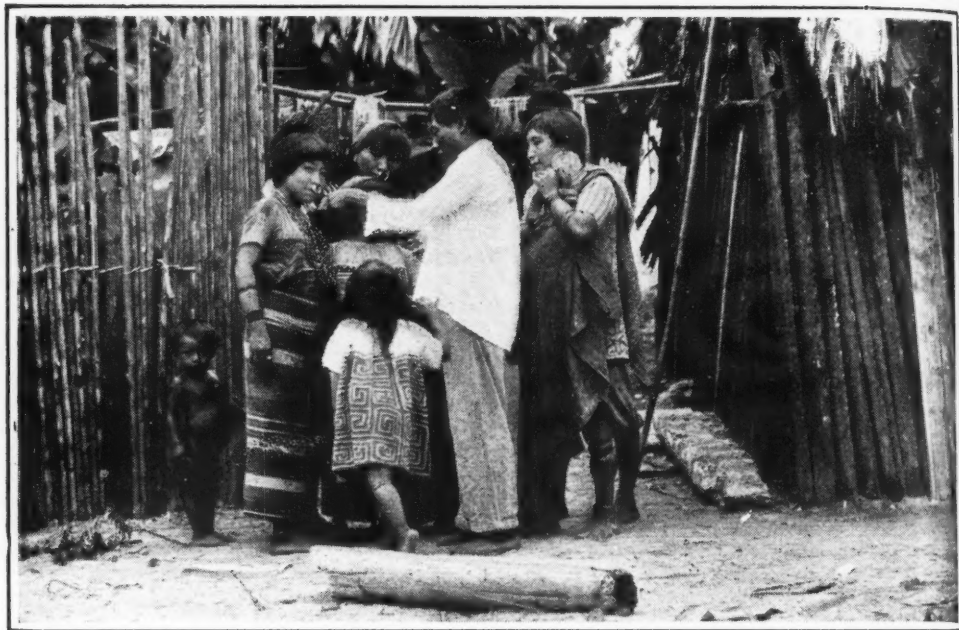
June 18, 1917, which I had the honor of signing as Minister of Foreign Relations, in which it is provided that "No American country which, in defense of its rights, finds itself at war with nations of other continents shall be treated as a belligerent by Uruguay." This governmental resolution found its inspiration in the principle of American solidarity, in the thought that "the injury done to the rights of a country on this continent should be considered as such by all and should provoke in all a uniform and common reaction." As popular acts, signifying warm approval of the Pan-American policy, I may recall also the enthusiastic manifestation organized by the Uruguayan people in honor of the North American squadron on its visit to Uruguay during the World War.

In harmony with the ideas above set forth, and during my tenure of the office of President of the Republic, I proposed the creation of an "Association of American Countries," on the bases of international justice and mutual respect between the peoples of the continent. This project aimed to uproot forever every kind of suspicion and rivalry, to effect a friendly solution of the differences that might arise, and to prevent the intervention of any country in the internal affairs of another country, whatever pretext might be invoked to justify it. Lastly, I also laid before the American Institute of International Law convened in Montevideo a project of a "Declaration of Principles" tending toward the



Arica, Chile, the terminus of the railway from La Paz, Bolivia, with El Morro, the famous hill, in the background





Indians of the interior of Panama

realization of the Pan-American doctrine and ultimately toward checking the progress of groups animated by hostile feelings toward other peoples

The first of these declarations was framed as follows: "International relations must be based on the principles of justice and solidarity, regardless of the differences of races, opinions, languages, customs or religions." The principle of "no intervention" was set up as a legal regulation; other prescriptions were the forbidding of individuals to manufacture war material; the exclusion from public competitions of any legal person belonging to countries that had not bound themselves by treaties to respect the principle that every matter which, according to the national laws, should be judged by the national judges, should not be withdrawn from its natural jurisdiction by means of diplomatic representations, except in the case of a denial of justice.

With respect to war, the project formulated the following conclusion:

War is a crime, and consequently attacks on life and property, or on any human right, will deserve the same social repudiation as would be the case for similar acts committed in time of peace. Legal only would be a war of "legitimate defense," which case would exist when a country is openly attacked, or has vainly sought to apply conciliatory methods, such as arbitration, investigating commissions or friendly mediation by other countries.

Though no tribunals exist capable of penalizing the crime of war, the public conscience must tend toward its repudiation and toward the application to the guilty country of the same moral penalty incurred by common delinquents.

These are, in my judgment, the ideas that should be spread and accepted in the political atmosphere of America. If they are absorbed by the public mind and if the Governments put them into practice, the anxieties and doubts that might arise today will disappear, and the peace of the continent will be established on a firm and definitive basis

In conclusion I may well dwell on the following ideas, expressed in an address which I delivered at the University of Montevideo while I was President of the Republic of Uruguay on the subject of "American Solidarity," in the course of which I said: "Pan-Americanism implies the equality of all sovereign powers, both great and little; and assurance that no country will seek to impair those of others, and that those nations whose sovereign powers are thus impaired must have them restored. It is, in short, the exponent of a high spirit of brotherhood and the vehicle of a legitimate aspiration toward the moral and material development of all the peoples of America.

MONTEVIDEO, URUGUAY.

# Dangers Latent in Our Latin-American Policy

By MANUEL UGARTE

A LEADER OF THE NATIONALIST MOVEMENT IN SOUTH AMERICA; AUTHOR OF MANY BOOKS ON SOCIOLOGICAL, POLITICAL AND LITERARY SUBJECTS

WE know that the Anglo-Saxons and Latin Americans have faults. The only difference between them is that the faults of the Latin Americans injure only themselves, while the faults of the Anglo-Saxons injure other peoples. Hence arises the error which has led us to face a common problem with irreconcilable formulas. We have judged before reaching a mutual understanding. Faithful each to its own mentality, the North has despised the South and the South has hated the North—sentiments of small practical advantage to groups forced by geographical reasons to live together on a continent separated by destiny from the rest of the world. It is therefore fitting to ask ourselves if it would not be well to make some slight effort to wave aside for a moment the faults mentioned and to strike the balance of truth. If we Latins could reach the point of judging the phenomenon of imperialism from an Anglo-Saxon standpoint, that is to say, by considering the tendency of peoples toward expansion in its general and universal sense, and if, on the other hand, the Anglo-Saxon would come to consider Latin-American resistance with due appreciation of legitimate national sentiments, the problem would then be presented in favorable terms, I will not say for a harmonization of conflicting views, but at least for an effective comparison of the point of view of both.

We must begin with a definition of words, which often alter the aspect of facts. The terms "Anglo-Saxons" and "Latin Americans," which we use to distinguish the old English colonies from the old Spanish and Portuguese colonies, far from translating an absolute ethnical reality, are simply conventional formulas devised to prevent the confusion of two groups which must in some way be characterized. In Latin America there exist sections where the native element totals as much as 80 per cent. of the population. In other sections numerous African elements subsist. The white groups predominating in certain cities and in the extreme South form a nexus of all the races

of Europe. In more than one place these nuclei have mixed with the natives in harmony with the conception brought by the Spanish to America, absolutely different from that which predominated in the North. The term "Latin America" thus connotes only cultural fraternity. But this, far from weakening the wall which separates the United States from the Southern republics, adds to it new buttresses, for it brings in new factors unassimilable for the United States and recalcitrant to all absorption. The propriety of names, therefore, may be discussed and even the question of cohesion of the whole, but no one will dispute the fundamental demarcation that exists between the two Americas, whose ethnical elements are antipathetical and whose point of view is very different. Race, culture, customs, sentiments, stage of evolution and social characteristics all impose alike on North and South America a different axis of rotation, with the result that Pan-Americanism as it is understood today in the Foreign Offices of the various republics stands only for a political deceit or a rhetorical chimera.

The character of the relations that have hitherto existed between these two groups has not been the most fitting to modify incompatibilities. Financial interests, working almost always through special agents, bent above all on protecting their financial profits, have been more frequently in contact with us than the people and public opinion of the United States. Not the culture, the thought, the higher aspects of the life of the great Republic have been diffused toward the South, but the reflection of one of its aberrations. And this partial penetration has been effected habitually in an arbitrary form, infringing the rights of the natives, creating privileges, opening the way for abuses emphasized afterward by diplomatic pressure and landings of military forces. We have never seen friendly cooperation between the two peoples. The action developed has been so exclusive and one-sided that, though we can specify in de-

tail the benefit which the capitalists of the United States have derived from it, it is hard for us to discover any advantages that it has brought to us. When a railway has been constructed, it has been to facilitate the exportations of some given company or to serve limited interests. When a canal has been opened, all the prosperity and advantage has been seized by the concession zone, and the hopes of the natives have proved derisory. The branches of large credit establishments have at times absorbed and controlled the financial activity of the smaller republics without leaving them the slightest advantage. The loans have often been transformed into political manoeuvres, the result of which has been subjection and a protectorate. It has even been attempted to impose upon us race prejudices, which are opposed to our sentiments as well as to our interests. And even the inner life of the South American republics has been subjected to unexpected influences. In most cases the representatives of imperialism have been converted into "managers" of our most discredited politicians, thus adding to the violation of rights committed by them when they intervened in our affairs, an offense against political morality, consisting of the favoring of tyranny, revolutions or *coups d'état* harmful to the country and condemned by public opinion.

The United States is today the greatest nation in the world, and there are irresistible tendencies against which it is useless to struggle. We know that our evolution is bound up with that of the United States. We cherish no hostility to the all-triumphant Republic whose support is indispensable to our prosperity. We realize the incredible number of blunders that have been committed by our rulers from the very beginning, but we also know that we constitute a different community representing the perpetuation of a different tradition of culture. We aim at defining the point where these influences must stop, the advantages which we shall derive from them and the ways that open before us in the future. It is clear, furthermore, that even though we might decide to sacrifice ourselves personally, we could never fit into the North American community nor form an integral part of it.

#### HARMFUL TO NATIONAL LIFE

Hence we explain the present state of mind of Latin America in which there is no element of xenophobia (hatred of foreign-



MANUEL UGARTE

Argentine author and Latin-American opponent of imperialism

ers). If we rebel against the Monroe Doctrine, it is not on account of the Monroe Doctrine itself, but because of the abuse that has been made of it. If we show a preference for Europe, it is on account of the unjust acts which North American imperialism has committed against us. If we criticize the action of that imperialism, it is not because we reject an influence which may be beneficent to both sides, but because we understand that that influence manifests itself in a form which is harmful to our national life and which offers no practical solution for our future existence. In the case of such a great and strong Power as the United States, it is necessary to place the problem of the two Americas on a basis of complete sincerity, and in writing this article for the *CURRENT HISTORY MAGAZINE* I wish to wave aside the usual fictions and to probe this question to the bottom.

Just as we Latin Americans are often inclined to judge the United States unjustly because of the abusive and exclusively utilitarian action which some of its agents have taken in South America, so the people of the United States judge Latin America unjustly because of our bad rulers, forgetting



that some of these rulers have been imposed upon us by the imperialism of North America. In general these representatives of ours do not interpret the national will, nor can they serve as a criterion for understanding the condition of our various countries: they are the products of intrigue, or violence, and sometimes even of treachery to the interests of their country. And here we touch upon the greatest cause of alienation, the main origin of the unpopularity of the United States among us. I refer to the frequency, either casual or deliberate, with which that country has obstructed in each and every one of our republics the action of all sane elements—men animated by patriotic feeling, men thoroughly equipped and desirous of reform, who wish to improve and to bring to a higher level the conditions of life in South America. It would seem as if the mere fact of wishing to defend the interest of our native country and to provide for its future existence were a sufficient cause to provoke an absolute veto, depriving our best men of all political effectiveness.

On the other hand, the imperialistic policy has favored to an incredible degree those Latin-American politicians who enjoyed the least prestige among us, or those who, through their notorious incapacity, as a result of which they are unable to accomplish anything, either good or bad, have been open to all influences. Thus all the inhabitants of Latin America have been included in the discredit of a small political nucleus, and thus the people of the United States have judged us all as representative of the actual conditions in South America. This has had an inevitable counter-reaction, and our young college men and the sane majorities of our peoples of Latin America have in their turn judged the character of the North American influence by the type of politicians whom imperialism insisted on imposing upon us, or by the measure of morality to which it had recourse to attain this end. Observing subsequently that those Latin-American countries which are most progressive are those which are furthest removed from the influence of North America, they have mistakenly concluded that that influence is synonymous with backwardness and oppression.

The United States, which in all domains has revolutionized acquired ideas and the usual matters of knowledge, creating a great and unprecedented type of civilization, transcending anything that humanity has hitherto ever known, does not seem as yet to

have entirely forgotten the classical procedure of European colonization. We cannot therefore be surprised if, as a logical result, it is confronted with the same phenomena. If our peoples are driven to desperation, they may refuse to consume the merchandise of our principal provider and may lean toward social revolution, a disease the infection of which is always avoided, and even admitting that they constitute only a dead weight, they might, in case a conflict arose, throw that weight into the scale opposed to the interests of the invaders.

#### MODUS VIVENDI IMPERATIVE

But, as a matter of fact, the problem of the two Americas differs from all the problems hitherto presented in the course of history. It is a complex problem, but one for which a great and fair-minded people, living in a period when everything is in a process of evolution, will undoubtedly find some adequate and original solution, reducing injustice to that minimum which transcendent national necessities make unavoidable.

With Anglo-Saxon America, urged on by the requirements of its national life to extend its frontiers, Latin America, admittedly backward in its state of evolution, and hostile to everything which would tend to impair its national sovereignty, will have to establish sooner or later a *modus vivendi*. The wide extent of territory involved, the amount of population and the important factor of an unassimilable native element have been and will continue to be obstacles to new attempts to extend the jurisdiction of North America over South America. On the other hand, the United States has no interest in anachronistically paving the way for new Irelands and new Polands of the future. Even the wrong methods of action to which it has had recourse hitherto in its policy of expansion cannot survive. The knowledge which all nations are beginning to acquire of their own inner resources nullifies such methods; the multiplicity of actions which they make it necessary to control complicates diplomatic action most harmfully. Furthermore, since the war there has arisen a new spirit which the world must take into account, and this new spirit has reached the republics of the South.

All this, of course, has not escaped the attention of observing people in the United States. The fact that this new point of view is simultaneously making progress in all the capitals of South America shows that a

change of policy is imminent. Typical Latin-American politicians who have subordinated everything to ambition, who have fostered and encouraged controversies over questions of boundary in order to advance their own personal interests, and who have declared difficult problems to be non-existent in order not to be under the necessity of solving them, are now becoming the survivors of a past epoch, amid the new generations of a higher type of mentality who are discussing unitedly and in an impersonal and objective way the problems of the continent. Everything indicates that the situation that exists today is beginning to disappear and that the men with whom imperialism is now negotiating and making compacts will, *nolens volens*, be replaced very soon by others who represent a higher ideal and a higher mentality.

This movement is having both good and bad results, but they are all new developments and must be taken into account in considering the situation. With respect to internal politics, we note a feeling of exasperation against the maladministration of oligarchies, a democratic desire for the redistribution of land, a more or less pronounced rebellion on the part of the dispossessed Indian, an increasing leaning of our youth toward extreme doctrines and a desire to dispose freely of the resources of our own national soil.

#### SHAM DEMOCRACY

Parliamentarism and democracy have hitherto been a sham and a fiction in almost all our republics. The reaction against the insane individualism which has caused our troubles thus assumes confused forms. Men are weary of witnessing violence in some districts and apathy and inertness in others, and there is beginning to be stressed a sentiment of collective responsibility expressed, over and above all doctrines, by a desire for government which represents the true sentiment of the nation and which exists independently without support from outside. To this is added an earnest desire for profound changes and an unconcealed aversion to the parasitical groups which have always spoken of the Mother Land but which have never concerned themselves with its prosperity. All these manifestations are symptoms of a fundamental reversal of feeling which may be guided into the right channels by new statesmen or else exploited by elements of disorder, but which in all ways mark the decline and fall of the old customs and their corresponding systems of forcible acquisition.

In so far as international politics is concerned, it is also not difficult to follow the evolution of public opinion. Only a short time ago the problems of one region were to the inhabitants of the other regions a matter of no interest. The most recent events in Central America, however, have had such a repercussion throughout the whole of Latin America that even the old-style politicians and the opportunist newspapers have been compelled to temporize with public opinion and seem to follow it. Those hitherto faithful to the old system of regional self-interest have had, as it were, forced upon them a sentiment of solidarity, a rhetorical manifestation, of course, but one which reveals a state of mind. The intellectual and professional elements have founded numerous propagandist societies, such as *La Alianza Continental* (the Continental League); the *Union Latino-Americana* (the Latin-American Union); the *Union Centro-Suramericana y Antillana* (the Union of Central and South America and of the Antilles); the *Union Patriótica Centro-Americana* (the Central American Patriotic Union); the *Alianza Popular* (A. P. R. A.—the People's League); the *Confederación Nacionalista Latino-Americana* (the Latin-American Nationalist Confederation), and many other organizations whose headquarters are situated in New York, Buenos Aires, Mexico, London and Paris, showing a new spirit among the natives of Latin America which coincides with the world movement of protest by subject peoples against foreign pressure. Latin America has been affected by this awakening of all types of nationalism and by the discontent arising from the present financial situation, and has also been affected by the restlessness of groups hostile to the formulas, either drastic or moderate, of colonialism.

#### THE MARCH OF HISTORY

This does not mean that we have any illusions about the present situation. We know that history does not take into account the events which from an idealistic point of view *should not be sanctioned*, but rather those events, which as tangible realities, *cannot be realized*, and that the trouble lies more in the vulnerability and lack of experience of the threatened peoples than in the imperialistic ambition to dominate. From this certainty has arisen the tendency not to appeal to ethical considerations in the case of acts that offend us, and to seek the remedy in reaction against our own errors and in declining to imitate the

romantic navigator who, after having allowed himself to be caught unaware by the elements, shook his fist at the storm.

In other words, we shall not strive against others, but we shall strive for ourselves, by correcting mistaken policies, favoring the development of powers that still lie dormant, overthrowing the politicians who have either subordinated everything to their own ambition or have put all their hopes in chance, and modifying in a practical way the terms of the problem as it presents itself today between the two Americas.

By this course of action the legitimate hopes of the United States may be reconciled with our own interests. There is no antagonism between these two things if we place ourselves upon a basis of superior and permanent interests. No policy is final, and it is impossible to persist obstinately in a given policy when the circumstances from which it arose are clearly disappearing. It is not definitely proved that the prosperity of the United States must be based upon the ruin and submission of 80,000,000 people of Latin-American race. Perhaps the wealth and the world prestige of the great Republic of North America would be increased by our prosperity and our development. Neither is it true that the best policy of the South American nations lies in opposing their interests to those of the North. This extreme view, which would take from us the support which we need for our evolution, can be only the result of continuous aggression.

#### VITAL NEED OF REACHING UNDERSTANDING

The new men of Latin America, who do not aspire to the empty glory of occupying public positions, but who place their ambition in the legitimate pride of achievement, are anxious to be friends of the United States without ceasing to be loyal to their own country. They believe that the existence of good government in the republics of the South, the equitable distribution of profits, and even the confederation, either in whole or in part, of our respective countries, might be useful for all, if we initiated this movement upon a basis of mutual guarantees. The most dangerous error would be

to lay down the principle that whatever benefits us injures the United States and vice versa. The rise of South America might be a corollary of an increase in the North's greatness. There is no absolute and predestined law compelling one to prefer the proximity of a resentful slave to that of a free man bound by sentiments of gratitude and friendship.

We are sure that the United States will understand the soul of Latin America. European travelers tell us that after having lived many years in China, where they carried on trade and dominated in accordance with their own caprices, distributing bribes and tyrannizing over human life, they discovered to their surprise on their return that they knew nothing of that country. The Latin-American enigma is not, of course, so profound, but until now the great Republic of the North has not succeeded in deciphering it completely, not because it lacks clear-sightedness, but because it has sought the solution of this enigma among the politicians and the groups which least represented the national conscience. On the elimination of this misunderstanding our future policy must depend. If the present state of affairs is not changed, hostility and conflict will increase. Natural history teaches us that when confronted by the universal cannibalism of nature the weak can defend themselves only by making themselves "non-comestible," and it is impossible to foresee the expedients to which a given community may have recourse when it does not wish to disappear. When one people can say to another people: Your progress is reflected among us by backwardness, your wealth by ruin, your happiness by unhappiness—a fundamental cause of resentment has been created which cannot be despised, however insignificant the enemy may appear.

The present diplomacy of the United States is for us an unceasing source of humiliation and pain. The sane majorities of Latin America, who are against foreign direction and corrupt policies, and who, above their protest, voice a theory, may be heard with profit by the two Americas.

NICE, FRANCE.





# The New Understanding Between the United States and Latin America

By SEBASTIAO SAMPAIO  
CONSUL GENERAL OF BRAZIL, NEW YORK

DO the United States and Latin America understand each other? That is an old question, which I believe to be more timely today than ever before. Among hundreds and hundreds of answers, mostly in the affirmative, we frequently notice some negative opinions, sometimes in a general sense, as in the case of Mr. Manuel Ugarte, and sometimes with restrictions.

An impartial glance through Latin America gives immediate evidence, I am glad to say, that all the negative answers do not reflect the thoughts of any collective group in the twenty nations there. They are individual answers, exceptions in our political literature, and such peculiarities deserve attention by us, very much less for their own value than for the literary prestige of their authors.

On the basis of my experience in inter-American relations, it would be unfair for me to say that Latin America and the United States do not understand each other. Nevertheless, I would not give my complete views on the matter by simply affirming that they do. I think the subject much too serious to permit its discussion in anything but a spirit of real frankness, and such frankness demands a definite answer rather than a vague and merely sympathetic affirmative.

I believe that the United States and Latin America have been progressively reaching a better understanding, especially in the last thirty years, and we must be just and say that this is due almost exclusively to the efforts of the Governments of the continent, especially of the American Government, and to the close cooperation of statesmen and diplomats of the three Americas. This new era of understanding started with the First Pan-American Conference at the end of the last century, but we cannot forget the pioneering significance of the visit of Dom Pedro II, Emperor of Brazil, in 1876, to the United States. Outside of the American President, Dom Pedro was the only Chief of State at the Centennial Commemoration of American Indepen-

dence in Philadelphia, and the first one to visit officially another Chief of State in our continent.

The Third Pan-American Conference at Rio de Janeiro, during the Roosevelt Administration, was a notable opportunity for the development and consolidation of this new continental spirit of cooperation and brotherhood in the New World. The visit of Secretary of State Elihu Root to South America on that occasion was largely responsible for this. Undoubtedly President Roosevelt and Rio Branco, the Brazilian Chancellor, planned the whole project, but its actual accomplishment was due to Elihu Root and Joaquim Nabuco, the Brazilian Ambassador at Washington, the two greatest leaders and builders that Pan-Americanism ever had. To their intelligent and practical efforts the continent owes the definitive organization and also the building of the Pan-American Union, a gift of the common-sense and of the heart of Carnegie. To them the inter-American spirit is indebted for the impulse received, which, since that time, has ever gained new strength, helped by the political effects of the visits of President Roosevelt, Secretary Colby and Secretary Hughes to South America and of Presidents Pessoa of Brazil and Machado of Cuba to the United States, as well as by the efforts of Presidents like Wilson and Harding, and of Ambassadors like Romulo Naon from Argentina and Domicio da Gama from Brazil, both at Washington.

These official activities of statesmen and diplomats, so far as we can judge now by the results, have been extremely successful in achieving all that could be expected from them. Pan-Americanism—a term which some people do not like—is today a real fact. Several years ago, during the World War, at the Pan-American Union, standing near the table where the American republics settle continental affairs, Lord Balfour said that if Europe had had such an opportunity to discuss European matters, the Great War would not have occurred. Today the efficiency of the Pan-American Union

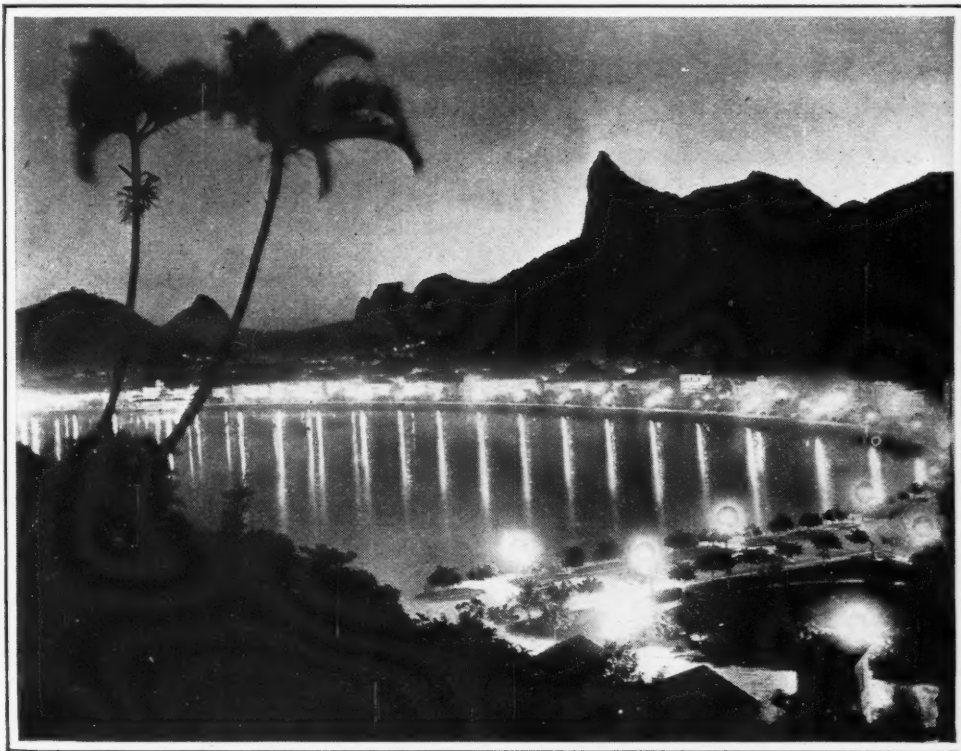
is increasing tremendously, in a logical evolution from the necessary propaganda phase, under John Barrett, to the practical organization directed by Dr. Leo S. Rowe.

A glance over the continent shows everywhere Presidents endowed with the full inter-American spirit of cooperation. Presidents Calvin Coolidge of the United States, Washington Luis of Brazil, Marcello Alvear of Argentina, and the Presidents of Chile, Peru, Cuba and Uruguay deserve special mention. The men appointed to conduct the diplomatic work at Washington are selected most carefully today by all American Governments. We can well realize this when we see such Ambassadors as Cruchaga, from Chile; Pueyrredon, from Argentina; Amaral, from Brazil; Velarde, from Peru, and such Ministers as Jacob Varela, from Uruguay, to give only a few examples. And to show with one name alone the care which the American Government exercises in this matter, it will be enough to point out the sixteen years of work at Rio de Janeiro of Edwin Morgan, the only Ambassador of the United States

to stay for so long a period in the same post, symbol of American good-will and friendship, dedicating his life to the development of inter-American relations.

Nevertheless, while I realize that Pan-Americanism or continental understanding is already a fact, and that we owe this achievement to the efforts of the Governments of the three Americas, and especially of the United States, I also realize that official initiative has already accomplished the most that we could hope to receive from it.

It is the opportune time today for the logical evolution from the first period of official initiative to that of private initiative. The men of good-will of the three Americas must now complete the work of government and of diplomacy by helping the people of our countries to meet each other, by preparing the next Pan-American Congress and Conferences of all kinds, by practically interesting public opinion, from North to South, in the building of a collective mind all over the Continent, the only way to a complete understanding and



Newman & Brown & Dawson

The Bay of Botafogo, Rio de Janeiro, by night



Types of native houses in Brazil

to a collective conscience that should be the goal for all of us, not only in the interest of this New World, but in order to make us more useful to humanity.

To understand each other completely we must know each other. We have done a great deal in this direction, but what we have already done is still very much less than what still remains for us to do. Our most urgent need in the Pan-American problem is the closest possible cooperation between Latin America and the United States. Latin-American countries, during the past few years, have increased their mutual knowledge and extended their mutual relations. The Chilean-Peruvian controversy has been the only difficulty, and reciprocal efforts show good-will on both sides to settle this long-standing dispute.

The importance and the prestige of the United States in the world, the difference between the English and the Latin languages spoken in the three Americas, and other various reasons show the need of concentration of Pan-American efforts to build up a complete understanding between the United States and the twenty sister Republics in the South. To reach such an understanding we must destroy wrong ideas and wrong impressions. One of these, which needs emphasis, is that it is possible to understand Latin America as a whole.

Of course, in a large racial sense, we are all assembled under the name of Latin

America. We are very proud of our Latin origin, but it would be impossible to impose on us any such exclusive classification as this. We consider it a great honor to descend from mother countries like Portugal, Spain, France, Italy; our hearts always have a thankful and proud thought for them. But our spirit is that displayed by the United States in its moral union with England, devoid of any element which would conflict with the idea of the common destiny of all the nations of this hemisphere. Latin America should be considered a whole in the same sense in which the United States and Canada could be so considered. This was the spirit that animated the Latin-American Republics, excluding Brazil and Haiti, when they called themselves Spanish America, without any intention of division or any idea of exclusiveness.

But Latin America is too big and much too complex to be summarized as a whole. As a matter of fact it is not a whole, either economically or politically. It is also not a whole in the cultural sense: Brazil, for instance, regarding literature, arts, science, knows very much more about the United States than about Spanish America. Even geographically, the Panama Canal cuts Latin America into two parts.

We cannot bring into one category heterogeneous groups of nations in different stages of development and progress. Argentina, Brazil, Chile and Uruguay, for



instance, bear a greater similarity to the United States than to any of their Latin-American sister Republics, not so much because of their tremendous material progress as because of the cosmopolitan character of their culture and customs, due to the forging of a new race there, the result of the influx of a mixed and heavy European immigration. Some figures will illustrate these facts. Argentina has Buenos Aires, a city of 2,000,000 inhabitants, and Rosario with 400,000. Brazil has Rio de Janeiro with 1,500,000, Sao Paulo City with 800,000, four cities with 300,000 each, and a dozen cities with more than 100,000 each. Santiago de Chile has 500,000 and Valparaiso about the same population. Uruguay has Montevideo with 500,000. All these cities, and a number of others, enjoy the general modern comfort which cities of the United States enjoy today.

Quoting only the immigration statistics of Argentina, Brazil, Chile and Uruguay we see that these nations have now in their territories approximately 5,000,000 Italians or people of Italian descent, 2,500,000 Spaniards, 1,500,000 Germans, 1,500,000 Central Europeans, 700,000 Portuguese and others. These figures cover only the last century and do not include the greater masses of the population of Colonial time, almost all of European blood: of Spanish descent in Argentina, Chile and Uruguay; of Portuguese descent in Brazil.

If we look at the matter in detail we note one fact big enough in itself alone to prove the point—the fact that each Latin-

American Republic has more commercial, economical, political and cultural relations with the United States than with any of its Latin-American sisters. Similarity of Latin-American production, preventing a big interchange of goods; distances and lack of transportation, handicapping communication between Latin-American countries, are responsible, no doubt, for this fact which makes the United States the central point of the Continent. And the prestige, the power, the ability and sincere Pan-American spirit of the United States add still more to the matter; it is due principally to the efforts of the United States, in the past and today, that the Latin-American Republics are "living together," either under the auspices of the Pan-American Union, or linked by various other associations, conventions and conferences, scientific and social work, industrial enterprises and so forth.

Even in a detailed racial sense Latin America could not give the exact impression of a whole. Haiti speaks French, and the French culture and the French blood were always the leading foreign influence in the island. We Brazilians are of Portuguese descent. Portugal and Spain had common origins in the Old Iberia; we enjoy this idea in Brazil, as we enjoy the thought of our Latin origin, but we Brazilians cannot forget that we descend from the Portuguese, the daring navigators who discovered the largest area of the world during the Columbus era. We Brazilians speak only Portuguese, a beautiful language



Amazonian native fishing with a harpoon

Wide World

which became classic at the same period in which the charming Spanish evolved also from its old dialects.

Possibly some reader will remember that eighteen nations in Latin America are Spanish-American countries, and will consequently consider as mere exceptions the French-American Haiti and the Portuguese-American Brazil. Such an opinion would be entirely wrong, so far as Brazil is concerned, as one cannot consider as a mere exception a nation like Brazil, which alone is 200,000 square miles larger than the Continental United States, and represents one-third of all Latin America, 45 per cent. of the territory and 50 per cent. of the population of all South America, with 37,000,000 Brazilians, which means that Brazil is already the third Latin nation of the world. The importance of Brazil was recently recognized by Spain when she changed the name of her next "Spanish-American Exposition" to be held at Seville to "Ibero-American Exposition" in order to include Portugal and Brazil.

Besides the wrong method of considering Latin America as a whole there are sometimes other handicaps to knowledge, not only in the United States but everywhere in the world, obsolete information, ideas of the past, old impressions which remain too much in the mind of distant people or bulk too large in the eyes of former tourists, all of them forgetting the law of evolution. For some people, for instance, the modern big hotels of Rio, Sao Paulo, Buenos Aires, Montevideo do not yet exist. The yellow fever, an epidemic disease of the past century, suppressed in all parts of Latin America with the help of the Rockefeller Foundation, is another ghost of the past that sometimes counts in the minds of Americans no longer young.

There is also another handicap—books written by travelers in Latin America. They are, of course, unreliable, like all travelers' books, but still more unreliable, because a book on South America must be picturesque, full of daring explorations of big rivers, forests peopled by savage Indians, inhabited by snakes and wild animals; and it must include, if possible, some mutinies or revolutions. Of course I know various exceptions, but from a general viewpoint, since Humboldt and Agassiz and before and after the visit of Roosevelt, every author on South America makes himself either a naturalist or an explorer. All these author gentlemen land at big, modern cities, not only those situated at almost all the Latin ports of the Atlantic, but also

at many of the Pacific, and five days up rivers like the Amazon. In the interior they travel for days on railroads and afterward for days on highways before reaching unexplored areas, but the travelers' books would lose interest if mixed with common reports of modern cities or civilized ways of transportation. How many times I have tried, without success, to find in such books some impression of the tremendous development of Latin America! How often I hoped to see some explanation of revolutions there, as natural political developments in the evolution of young nations, such as the Civil War was for this country; such as the very interesting political experiments in Italy and Spain have been; I have never found such explanations, and I must say that I had for them only a Continental interest, because Brazil, my country, after seventy years of an Empire under two rulers, father and son, proclaimed itself a Republic, and from that time until today has never had a President made by revolution, but always by election, which means that law and order have ever prevailed in our land.

#### LATIN AMERICA'S IDEA OF THE UNITED STATES

Latin America does not know the United States very much better than the United States knows her. When the idea of the United States comes to the Latin-American mind, especially in South America, it brings immediately a confused medley of thoughts: American dollars, skyscrapers, tremendous dimensions, not only as regards cities, but everything else, moving pictures, jazz bands, prizefights, victrolas, pianolas, radios, typewriters, expensive cars, Ford machines, ice cream soda and new methods for forgetting cocktails. This jumble of confused impressions cannot be of much help in making the United States known in Latin America. Moving pictures are not made to give a correct impression of the American home or of American habits and social life; jazz bands and musical machines are not intended to give a representative view of American art in music; automobiles certainly did change the idea of distance by bringing lands closer and facilitating transportation, but they also were not built for the purpose of effecting among the peoples of the sister republics a better understanding of the American mind and the American soul. All these American products are exported there, of course, to make money and it could not be otherwise. The world realizes, Latin America included, that not

only the Americans, but all of us here upon this earth, like the American dollar. Wall Street foreign loans are now almost a daily occurrence. But even American loans are intended to produce interest, and not to foster understanding.

It is therefore explainable why the Latins of America and of Europe have had in the past the wrong impression that material progress was supreme over everything else in the United States, and that all American minds were absorbed in the building of the financial, industrial and commercial greatness of the nation. We also realize that the effect of the export activities of today are not such as to be of any help in diverting the Latin-American mind from the old impression of the exclusively materialistic potentiality of this country. Books on the United States also do not help to clear foreign minds of such a wrong impression. If there is a country which has never had a book published about it which did it complete justice, it is the United States. With the exception of *The American Commonwealth* by Lord Bryce, and two or three other books on some special aspects of American life, all the books I know give the impression, intentionally or not, that they were written rather to make a sensation than to give an exact and complete view of this splendid nation and the admirable people of whom it is composed. Modern English books do not change much the old impressions of Dickens, Wilde, Kipling. About the French books, I could not express a better opinion. Very interesting and well-written works on America have been published in the past, and are being published today, but they are all on the order of the sensational book written by M. Jules Huret, the famous traveler journalist, stressing only the material greatness of the United States. A review of other European books would not change the situation as here stated. It is a pity that the United States has never found a foreign chronicler who could write about it with real knowledge and complete understanding. How can Latin America, as well as the rest of the world, clearly know and understand the United States with the insufficient sources of information that exist?

The great efforts already made by the United States to know and to understand Latin America, and to be known and understood by the twenty sister republics, need special emphasis. The Latin-American nations have been making real and permanent efforts to reciprocate, but their combined

efforts have effected only a very small part of all that has been done by the United States. Among the achievements of the latter are a great increase of imports and exports and of capital investments; a successful fight against distance, with the transportation facilities of the Munson ships and other American lines, with radio communication and the achievements of the All-America Cables; different scientific and social works as, for instance, the mission of the Rockefeller Foundation; and an educational campaign, including Latin-American geography and Spanish and Portuguese classes in almost all the American universities.

#### CULTURAL EXCHANGES NEEDED

No doubt all these achievements are necessary and useful instruments of knowledge. But they are incomplete. I venture even to say that they would postpone complete understanding if they were not supplemented with other instruments of knowledge that would enable Latin America to gain a correct impression of the American Republic, and also a correct impression of the sentiments of her own heart, of the ideals of her own soul and of the scientific, artistic and literary culture of her own spirit. A real campaign with such an aim would necessarily provoke a mental commerce, a cultural exchange, which would also make Latin America better known and better understood in the United States.

When the world and Latin America realize how big the heart of the American people is, the high idealism of their soul, their immense reserves of moral energy, and realize that American culture today stands in a proportion of equality to the material progress and greatness of the country, an achievement equal to that of any other country in 150 years of national life, then justice to the United States will be done and the inter-American understanding will be completed.

Intensive and practical cultural relations, increase of reciprocal "tourism" between the United States and Latin America—these are the two urgent needs to complete mutual understanding in the Americas. Our healthful inter-American spirit of cooperation is already the best international lesson ever given to the world. Completing the work of diplomacy and statesmanship, and of commercial interchange, cultural relations and exchange of people and ideas would hasten the next era of the perfect unity of the Americas for the good of mankind.



# The Two Sides of Mexican Nationalism

By MOISES SAENZ

MEXICAN UNDER-SECRETARY OF EDUCATION

MEXICO and the Mexicans are not internationally minded. At least they are not yet internationally minded. We have too many questions at home to be able to give much attention or thought to the affairs of other nations. We have a sort of instinctive fear of the foreigner as such. As an individual, the foreigner is treated in Mexico with kindness and courtesy. Americans from the United States are accordingly treated in a friendly way, as persons. As representatives of Uncle Sam, they are viewed with suspicion that perhaps is not entirely devoid of fear.

The wave of nationalism that has swept over Mexico and is finding coherent voice at the present time is considered by some foreigners as an aspect of Mexico's international attitude. In actual fact, our nationalism has reasons of its own and is not by any means the result of any kind of international policy or doctrine.

We, the men of this generation in Mexico, have during the past ten years discovered Mexico. In a sense, each generation has to make its own discoveries, but with us this discovery has been infinitely rich in content and consequences. We have found, for instance, that one-third of the people of Mexico do not speak Spanish. We discovered also that about two-thirds of the population are in a primitive stage of civilization. We have begun to evaluate what Spain gave us in the matter of culture and civilization as well as the frightful price that we had to pay for it. We have found out that all Governments in Mexico up to 1910 left the Indian entirely out of consideration; that even the most enlightened régime, that of Juarez, was hardly able to include the Indian in any plan of national reconstruction. We have discovered both to our delight and to our amazement that the Mexican has real artistic talent, that he is skillful with his hands, a rather good mathematician, and as capable of thinking "in concrete terms" as his very "practical" neighbors of the North.

Terrible as our revolutions have been, we have discovered that they have not been

as thorough as they should. Mexico made a poor start in 1821 as an independent State, since it was independent only politically. The Church and a few *criollos* (creoles) owned Mexico and were the masters. We know that we have suffered and we have intimations that we have more yet to endure.

Thus run the thoughts of the men of this generation in Mexico. Our discoveries resulted in a kind of sentimental nationalism. It was a kind of spiritual integration—somewhat romantic and, at first sight, harmless. In a deeper way, however, it was a spiritual renaissance—something like the rebirth of the soul of the nation.

The movement, however, became significant only when it followed up its own implications. It was all right to speak of our national soul, but it was absolutely necessary to proceed to think about our national stomach. It was fine to discourse about our beautiful and bountiful land, but it was imperative to see if there were any land left for the patriotic Mexican and if the bounties of the fatherland were bringing any benefit to him. And so our nationalism which was at the beginning romantic, sentimental, spiritual, had to become economic and political. The people of other nations who were rather sympathetic with the first aspect of our nationalism have become rather alarmed by the more recent way in which this nationalism is expressing itself.

The nationalistic attitude of Mexico has two sides: it is spiritual and it is practical. On its spiritual side it seeks to create in Mexico an Indo-Latin type of culture—a culture recasting Indian civilization in Hispanic molds. It seeks to derive from native sources an emotional pattern that may bind us into a nation. On the "practical" side we are endeavoring to construct a material fabric for our patriotism. Spiritual conceptions, we suspect, will fare badly in this modern age of ours unless they are embodied in substantial terms. Both aspects of Mexican nationalism—the spiritual and the practical—affect greatly the United

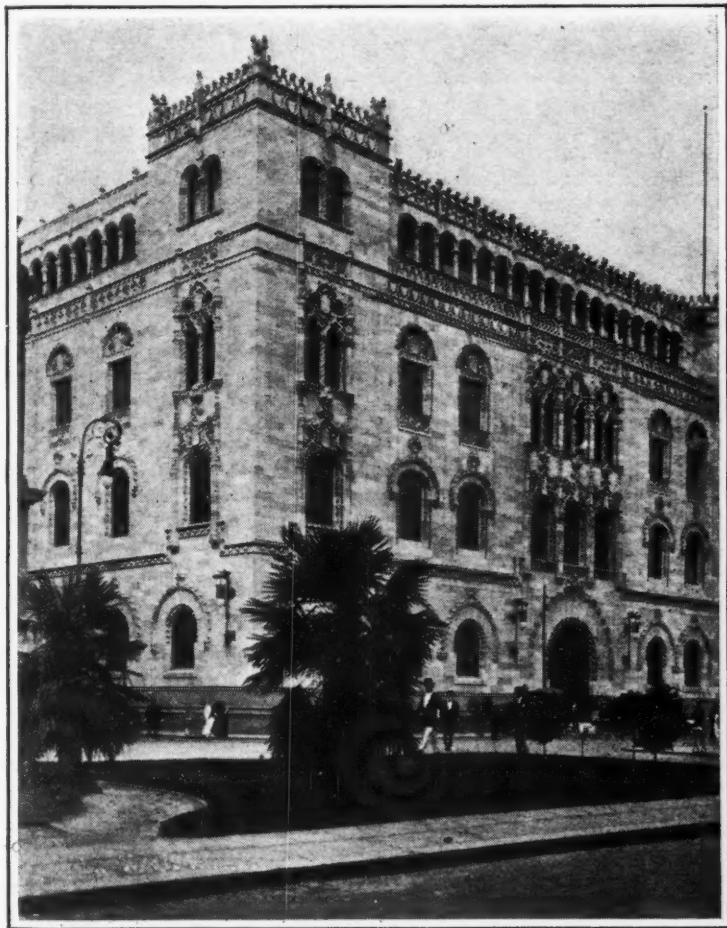
States and to lesser degree other foreign nations.

The effort to create a vigorous Indo-Latin culture is looked upon with suspicion and resentment by the Anglo-Saxons of the United States, especially if the least attempt is made by Mexico to bring about a Latin-American integration. As long as our culture remains in the curio stage, rich in the picturesque and providing souvenirs for the tourist, well and good. But let us set up in Mexico a "brown" civilization in which the half-breed is master, or let us object to Protestant missions in Mexico as one of the methods of "American penetration," or let us look with alarm at the invasion of English in the country and exclaim contemptuously with Rubén Darío, "Great heavens! All those people speaking in English!" or in fact let us do anything that will really mean the carrying out of our policy of spiritual integration to its logical conclusion and our friends in the United States will begin thinking that there is something "Bolshevik" in this Mexican situation, anyway.

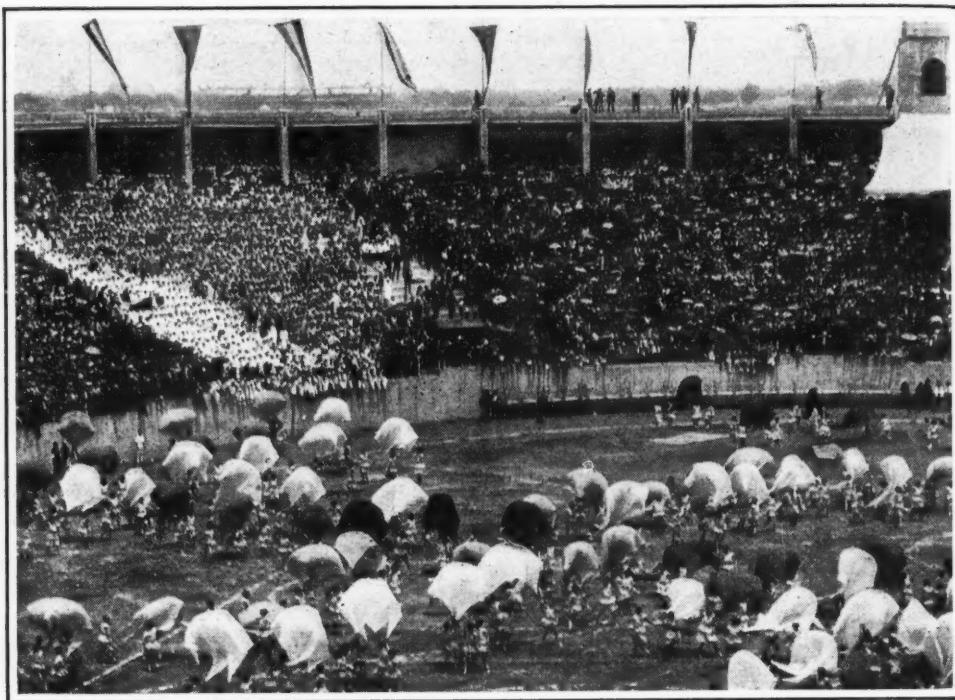
When we have tried to cultivate closer relations with the Latin Americans of South America and especially with those of Central America, we have been charged with carrying on propaganda and even political intrigue. Relations among the Latin-American nations have been highly platonic—a little drawing-room diplomacy, an occasional man of letters crossing the frontiers, books exchanged between a secluded and ignored scholar in one country and another equally secluded and equally ignored scholar in another country. But of those "practical

conceptions" which, as has been said, form the real basis of international relations, there has been very little.

This condition tends to disappear. The social revolution in Mexico has naturally attracted the attention of our sister republics to the South. The artistic renaissance has filled the heart of every Latin American with new faith. The program for the salvage of the Indian has inspired those nations that, like Mexico, have a high proportion of Indian population. The fifty thousand pesos that the Mexican Government has been spending yearly since 1923 on scholarships for Central-American students at the National University of Mexico have naturally drawn closer to us the five Central-American republics. The number of distinguished South Americans who visit Mexico—poets, novelists, actors, political



A corner of the Postoffice Building, Mexico City



Wide World

School children of Mexico City in the Gauze Dance at a national festival

writers, students—is increasing. More are coming than ever came before. In connection with Brazil's centennial, Mexico sent a "cultural mission," presided over by Vasconcelos. It visited not only that country but three or four others. When our friends of the South talk to us, they admire our progressiveness as illustrated by the Revolution; they are glad of the national stamina we show; they say that we are the "advance-guard" of Latin culture face to face with Anglo-Saxon civilization; they add that we are fighting their spiritual battles, and those who come from countries where oil has been found show themselves very grateful to us that we are wearing off a little of the edge of the "oil-men's" swords.

A sign of the increased interest of the Latin-American States in each other, and especially in Mexico, has been the raising of several legations to the rank of embassies. Thus within the last two years we have established embassies in Guatemala, Argentina and Cuba and a little before the legation in Brazil had received the same promotion.

This is a brief survey of our relations with Latin America. There is still very

little commerce, and it is not likely that it will develop greatly. We produce in general similar raw materials and few of our finished articles could be exchanged.

One can readily see that Mexico's relations with the Latin-American countries are ideological rather than practical, more spiritual than material. One would not think that the "practical conception" had been fulfilled unless the Latin-American complex became articulate and coherent, in which case Latin America might formulate a sort of spiritual "Monroe Doctrine" of her own. It is perhaps this possibility of Latin America becoming sufficiently "sympathetic" so as to be able to adopt a Latin-American point of view and sustain it even in opposition to the "American" (United States) point of view that may explain the ill-disguised apprehension with which Uncle Sam has regarded Mexico's rapprochement with Latin America. Be that as it may, the fact remains that our "spiritual" nationalism is as distasteful to the United States whether we pursue it to the North or to the South.

The practical side of Mexican nationalism aims at keeping Mexico for the Mexicans and making the Mexicans fit for



Mexico. The story of how Mexico does *not* belong to the Mexicans is now too well known to need repeating. In 1850 about two-thirds of the real estate of the country belonged to the Church. With the secularization policy of Juarez this property became national, although a very large part of it, consisting of church buildings and their annexes, was left in the hands of the Church to be used for ecclesiastical purposes. It has been estimated that two-thirds of all the wealth in Mexico belong to foreigners, leaving only one-third that can be called Mexican. Capital has always been foreign in Mexico, for even of the one-third that is Mexican a large part belongs to a type of Mexican that is really foreign in point of view and in method of exploitation. In 1910, with fifteen millions of people in Mexico, only thirty-seven thousand owned agricultural land. From this number a rather small proportion of foreigners and land barons owned three-fourths of all the tillable land of Mexico. Mexico does not belong to the Mexican, but to some foreigner or other, especially to the American from the United States. The American "stake" in Mexico is, I understand, close to \$1,000,000,000.

Any policy that undertakes to give Mexico to the Mexicans, no matter how modest in extent, no matter how considerate of the foreign interests, no matter how well thought out, cannot but infringe on foreign "rights" of some kind or other. This, of course, spells trouble, and that is exactly

why there is continuous friction between the Department of State in Washington and the Foreign Relations Secretariat in Mexico City. However, it is not the purpose of this article to make one more defense of the Mexican point of view in the protracted controversy over sub-soil rights, over the land question, over retroactivity and confiscation. All that is to be said on these matters has already been said and much more.

Foreign investments in Mexico have been a disturbing factor in so far as they have represented the exploiter's point of view. For four hundred years the Mexican, be he Indian or mestizo, has been the underdog, the victim of foreign capital, and the temper of the people is undoubtedly rising. A careful study of Mexican legislation relating to foreign property and the exploitation of the two great sources of wealth that have enticed foreigners into Mexico, mines and oil, will show that our attitude is not erratic, destructive or radical. Further, the fact that for years jurists, diplomats and business men have been discussing the conflicting points would indicate at least that there was partial justification of the Mexican's point of view. If our position were clearly untenable in the light of international law and precedent, it is obvious that the discussion could not have been continued for so long a time. Granting this—and I cannot for lack of space go into a detailed presentation of the Mexican position in these matters—let me say that the



A scene in Chapultepec Park, Mexico City



Voting at a Presidential election in Mexico

important fact for the foreign investor to grasp is that the nationalistic temper in Mexico has come to stay. Both article 27 and 123 of the new Constitution have received the sanction of the whole nation. A change in administration, even if brought about by violence and revolution, would mean a change in persons, but never in the policy regarding these matters.

Once more we have to conclude that the practical, the bread-and-butter side of our nationalism, has brought us trouble with the United States. That is regrettable. At the same time it is some consolation to think that whatever the trouble may be, it has not been brought about by any deliberate purpose on our part to rub our Northern neighbor the wrong way. Mexico has really no choice in the matter. If we are not nationalistic and do not give the Mexican a chance, we shall fall foul of the Mexican; if we try to be nationalistic, the American raises an outcry against us. We are between the devil and the deep sea. If we have to run the risk, we would rather do so on the side of national dignity and make the attempt for the sake of our own people. Surely they need to be given a chance, those 12,000,000 of destitutes, sons of the empire builders of America!

Although international relations are, as some one has said, "oil relations," after a while the subject becomes so uninspiring, the picture so dismal, that I may be pardoned if in closing I present a different aspect of the relations between Mexico and the United States. For the fifth year a large group of American teachers and university students have now come to attend the Summer school of the National University of Mexico. Mexican and American have met and have understood each other. The workmen of the two countries, as represented by their respective Federations of Labor, have also found the means of easy, pleasant and fruitful intercommunication. Groups of thoughtful men, Mexicans and Americans, are crossing the border back and forth. The "good-willers" some one, not entirely sympathetic, has called them. More of them should come.

As culture becomes universal, national or racial types become less significant. The harmonization, if not the synthesis, of American and Latin-American cultures might not be altogether impossible. Mexico could be the melting pot where the fusion might take place. And so while financier and politician wage their fight, unawares the people might smile across the border and understand.

# The "Peaceful Penetration" of Central America

By VICENTE SAENZ

COSTA RICAN WRITER, JOURNALIST AND AUTHOR; FORMER EDITOR OF *La Prensa* AND OTHER CENTRAL AMERICAN NEWSPAPERS; REPRESENTATIVE OF THE SHORT-LIVED FEDERATION OF CENTRAL AMERICA

WITH the Spanish-American War of 1898 the Government of the United States initiated its frank and undisimulated policy of dominion and expansion; and the great zone of American influence, outlined since the first years of the nineteenth century, began therewith to take on form and substance. The protocol of Aug. 12, 1898, the Treaty of Paris of Dec. 10 of the same year, the Platt Amendment adopted on June 12, 1901, were the fruits of the conflict with Spain. Besides the possessions which the United States acquired in the Pacific—Guam and the Philippines—it also retained in the same manner Porto Rico; furthermore, Cuba, which became independent on May 20, 1902, found itself compelled to submit completely to North American control in the operation of the Constitution which was to rule its destinies; binding itself to sell or rent to the Washington Government the territories and waters which the latter needed as naval and coaling stations at specified points, such as Bahia Honda and Guantánamo; also promising to ratify in an international agreement its semi-sovereign state (Clause VIII of the Platt Amendment), all of which led to and explained the Treaty of Havana of May 22, 1903.

Thus the victorious forces of the late President McKinley opened the road of imperialism in the Archipelago of the Antilles, and obtained for their country by right of conquest full dominion or political and economic jurisdiction not only over Cuba, which President Polk had wished to buy in 1848, offering Spain for it the sum of \$100,000,000, but also over an extent of territory hardly comparable with that which Mexico had to cede by the Treaty of Guadalupe Hidalgo, as the result of the war of 1846-47.

After thus establishing the first bases of influence in the Caribbean, the Washington Government then thought that the old project of an interocean canal through Panama or Nicaragua should now at last be realized, but without any foreign inter-

mediation. The Government was no longer willing to follow the course favored in 1838 by Aaron Clark, Mayor of New York City, followed by Van Buren and his Commissioner, John L. Stephens, applied on the conclusion of the treaty of Dec. 12, 1846, with New Granada, maintained again at about the same time with the discharge of Elijah Hise on the ground that he had exceeded his authority when he secured from Nicaragua canal and transit rights impairing Nicaragua's sovereignty. The American Administration no longer found acceptable treaties such as the Clayton-Bulwer Treaty of April 19, 1850; the Ayón-Dickinson Treaty of June 21, 1867; nor protocols such as that also concluded with Nicaragua in December, 1884.

On the contrary, the most radical exclusiveness dominated in Washington with respect to the great enterprise; and to complete the program, the first part of which had been executed in the Caribbean, it pushed aside all the scruples and hesitations which for almost a century had checked in those regions the progress of expansion of the powerful Anglo-Saxon democracy. The Clayton-Bulwer Treaty was certainly an obstacle to these designs, but on Feb. 5, 1900, a new protocol was concluded between the United States and Great Britain, culminating in the Hay-Pauncefote Treaty of Nov. 18, 1901, which annulled the mutual obligations incurred by these Powers in 1850, and left the Washington Government completely free to "construct, maintain, regulate and administer an interocean canal between the Atlantic and the Pacific, following any one of the practicable routes."

Thus inevitably, fatally, for the weak nations comprised within the area which the United States Government wished to control, the hour of North American imperialism had come. Panama? Nicaragua? The decision pressed. The State Department knew that neither Costa Rica nor President Zelaya of Nicaragua had evinced any



inclination to lose their sovereignty over the territory of the two countries which might be needed, and that they had appealed to the Hay-Calvo and Hay-Corea protocols, signed on Dec. 1, 1900. Washington was undecided. In the case of Panama it at last reached a decision when it succeeded on Jan. 4, 1902, in persuading the French, who had failed in the construction of the canal, to reduce their claims to \$40,000,000.

#### CENTRAL AMERICAN ZONE OF INFLUENCE

On Jan. 22, 1903, the Hay-Herrán treaty was signed, and the United States Senate ratified it on March 17; but the Colombian Congress closed its sessions in October without approving it. Washington refused to wait; imperialism would not retreat; the die was cast. The independence of Panama was proclaimed on Nov. 3, 1903, and the United States Government recognized the new republic on Nov. 6, scarcely seventy-two hours after publication of the separatist manifesto. United States marines enforced the decision of President Roosevelt, which violated and distorted both the letter and the spirit of the treaty of 1846. On Nov. 18 Secretary of State Hay and the "Envoy Extraordinary and Minister Plenipotentiary" of the Republic of Panama, Philippe Bunau-Varilla, signed the famous treaty known by the name of the audacious foreign "diplomat" who wished to save his investment in the bankrupt French company. So Panama was born, conceived by imperialism, under the complete dominion of the United States, selling and ceding strips of its territory, lending and submitting itself fully to the will of Washington. And thus irrevocably was opened the zone of influence in Central America but a short time after the first zone of influence was opened in the Caribbean.

Peace! This was the device on the banner unfurled by the Department of State in Central America when it began to intervene in her destinies. With the cooperation of Mexico, sought and obtained by President Roosevelt, in order to inspire confidence, the first treaties of peace and friendship between the five Central American republics were signed on Dec. 20, 1907. Yet barely two years later the Secretary of State, in October, 1909, supported the revolution against Zelaya, unmindful of the fact that peace had been the main object of the treaties mentioned. In November Mr. Knox tried rather to convert them into instruments of war, when he proposed to Costa Rica, through the American Minister,

Mr. Merry, to assume, with the support of El Salvador and Guatemala, an energetic attitude toward the Government of Nicaragua—the most energetic attitude possible, because "the Secretary of State has been most unfavorably impressed by the fact that by passing through Costa Rican territory, violating the neutrality established by the treaties of 1907, Zelaya won a victory and inflicted irreparable losses on the revolutionaries." (Cablegrams of the Plenipotentiary, J. B. Calvo, to President González Víquez, Nov. 12-28, 1909. Foreign Relations of the Republic of Costa Rica.)

Zelaya gave up the struggle at last because he could not make a stand against the United States, and left his native land on Dec. 24, 1909. But Mr. Knox was not yet satisfied. The new President, Dr. José Madriz, elected by the Legislative Chamber in accordance with the Constitution, was not the man whom imperialism required. So Washington continued to lend its aid to the revolutionaries; merchant ships flying the North American flag and loaded with munitions continued to arrive; and at Bluefields and El Bluff the activities of Commander Gilmer, supported by the Paducah, the Dubuque and other United States warships, went on unceasingly. Admiral Kimball meanwhile controlled the situation in the Pacific.

#### EXPULSION OF MADRIZ FROM NICARAGUA

The peace proposals of President Madriz were futile; futile also were the repeated and urgent offers made by the Central American Court of Justice to act as an impartial mediator; futile the appeal to the treaties of 1907. The rebels refused to surrender. Washington smiled. And Dr. Madriz had to leave his country on Aug. 20, 1910.

The revolutionaries reached Managua, and the Department of State ("with great satisfaction") immediately opened relations with them. (Note to the revolutionary agent, Salvador Castrillo. Foreign Relations, Sept. 14, 1910.) On Oct. 11 Thomas Dawson, American Minister to Panama, was appointed representative of Washington to the new Nicaraguan Government, of which Juan Estrada had assumed the Presidency. On Oct. 28 the Dawson agreement was signed; under its terms, among other things, the election of Adolfo Díaz, employé of the North American mine "La Luz y los Angeles" (Light and Angels), as Vice President of the republic, was confirmed, as well as the acceptance of financial experts of the United States. By May of



Native houses in Nicaragua

Keystone

1911 the famous Adolfo Díaz, the creation and instrument of imperialism, was already in power in Nicaragua.

On June 6, 1911, the Castrillo-Knox treaty was signed, under the terms of which Díaz pledged himself to give over the administration of the customs to the United States Government and to the bankers who concluded with him a loan. The American Senate refused to approve such a transaction, but imperialism continued its onward march. Certain American bankers, with Mr. Knox's approval, acquired the whole financial control of Nicaragua which President Díaz placed in their hands: reorganization of the currency, Banco Nacional, customs, railway to the Pacific, and so forth. (Contracts, Sept. 1, 1911; March 26 and May 25, 1912. Memo. of Department of Interior of Republic of Nicaragua, 1911-12, pp. 19-108. The Republic of Nicaragua and Brown Brothers & Co. and J. & W. Seligman & Co. Treasury Bills Agreement, dated Sept. 1, 1911. The Evening Post Job Printing Office, 156 Fulton Street, New York City, N. Y.)

The Secretary of State, at the same time, through his diplomatic agents at Managua, dictated to President Díaz the

measures judged necessary to smooth the way for the future canal treaty; intervened actively in the policy of the State and became beyond question the lord and master of the unfortunate Central American republic. (Foreign Relations, 1912.) Washington claimed that it wished peace, but its actions sowed the seeds of war in Central America. Storm clouds again darkened the horizon. The Nicaraguan people did not, could not, endure such a lamentable and shameful situation. They beheld the spectacle of the bankers of New York and the Department of State of the Washington Government actually ruling over their country and they understood that they had ceased to be the master of their own destinies; they saw citizens of the United States arriving to take over the administration of all national enterprises; appointing employees requested and brought in by them from outside the country; reorganizing the national finances; and collecting the national revenues (Clifford D. Ham, Bundy Cole, F. N. Wilson, A. F. Lindberg, Harrison, O'Neill, Green, and so forth). Wounded, humiliated, filled with righteous indignation, as a logically to be expected consequence, they rose against the rule of Díaz

and his lieutenant, Emiliano Chamorro, a rule characterized and repudiated by all Central America as a rule of traitors.

#### THE MENA REVOLUTION

The revolution broke out on July 29, 1912, under the leadership of General Luis Mena. Patriots of Guatemala, El Salvador, Honduras and Costa Rica hastened to take up arms against the Government that had been imposed on the country by imperialism, but this conflict could not have been more unequal, inasmuch as Díaz and Chamorro could count on the support of a great Power possessing warships and big guns; which protected the investments of the American bankers above referred to; which needed at every cost the canal route and which thought to secure the defense of its possessions in Panama and the Caribbean not on the basis of the good-will and confidence of the people of the nation involved, but by means of oppression and violation of the sovereignty and territorial integrity of the Central American Isthmus.

The first 450 marines, under the command of Major Butler, landed on Aug. 15. A month later there were in Nicaragua 2,600 soldiers and 125 officers, distributed among the warships California, Colorado, Cleveland, Annapolis, Tacoma, Glacier, Denver and Buffalo. With the capture of Coyotepe by the forces of Colonel J. H. Pendleton the revolution ended on Oct. 4. Mena, the revolutionary leader, who surrendered to Rear Admiral Sutherland, was taken away from the country on the U. S. S. Cleveland, and on instructions from the State Department, was interned under custody in a hospital in Panamá.

A few weeks later, under the supervision and "guarantee" of the State Department, the Presidential elections for the Constitutional period, January, 1913, to January, 1917, were held. Adolfo Díaz was elected. He did not even find opponents. New contracts with the same New York bankers, in exchange for some thousands of dollars, and finally the Weitzel-Chamorro canal treaty, which the Foreign Relations Committee of the United States Senate rejected because it established a tacit protectorate over Nicaragua, were the last spoils of their country which Díaz and Chamorro offered to the invader. The efforts of imperialism to obtain ratification of the treaty mentioned, which was signed on Feb. 8, 1913, having proved vain, a new one—the Bryan-Chamorro treaty—was drafted, and signed in Washington on Aug. 5, 1914.

When the news of the conclusion of this

second treaty reached Central America, a general cry of condemnation and protest arose throughout the whole Isthmus. For Díaz and Chamorro, not satisfied with selling their country's sovereignty for \$3,000,000, bargained away also the rights of Costa Rica in the San Juan River and in the Bay of Salinas, as well as those of El Salvador and Honduras in the Gulf of Fonseca. The voice of these peoples, which was the voice of justice, impressed the North American Senators, and in the Washington Capitol itself a great battle was waged against this criminal attempt. But imperialism won the victory, and on Feb. 18, 1916, the treaty was ratified—a treaty which would never have been signed by the liberators of the great North American democracy, the fathers of its independence, or by the noble and great-hearted man who abolished slavery and whom we all revere—Abraham Lincoln—whose beneficent influence is of the kind that Hispanic America wishes and needs today.

The offended nations refused to accept the additional clause in which the American Senate declared that it aimed in no way to infringe the rights of Costa Rica, El Salvador and Honduras, since in the light of reality those rights had already been infringed, bartered away; and the American Senate had just ratified this monstrous agreement, illegal and null and void since its very beginning. The people of these Central American republics did not and could not understand how the Secretary of State of President Wilson, that world champion of relations of complete equality and mutual respect between great Powers and small nations, could have concluded this agreement, which violated the Cañas-Jerez treaty of April 15, 1858; the Laudo-Cleveland treaty of March 22, 1888; the General Treaty of Peace and Friendship of 1907, Article IX; the unquestionable rights of El Salvador and Honduras in the Gulf of Fonseca; the rights of Costa Rica in the bays of San Juan del Norte and Salinas; and the Nicaraguan Constitution, which declares the republic's sovereignty unalienable. The peoples involved did not resign themselves to this agreement; they denounced the Nicaraguans who were enslaving their own people, characterizing them as "sellers and betrayers of their country." But they still had faith in President Wilson. And the public opinion of Central America, in March and August of this year (1916), finally led the Governments of the countries whose rights had been violated, to summon the Government



of Nicaragua before the Central American Court of Justice.

This high court pronounced its judgment, condemning the agreement; but Díaz and Chamorro repudiated both the court and its decision. The American Administration, metaphorically speaking, shrugged its shoulders disdainfully. Neither respect for the luminous memory of Cleveland nor respect for justice, nor even consideration of the prestige and honor of the United States itself, sufficed to validate the decision of the upright and incorruptible Judges who formed that illustrious tribunal of peace and arbitration. After receiving this death blow at the hands of Washington and its protégés at Managua, the Central American court virtually become non-existent. It plays no rôle now in actual life, because Imperialism is now dominant throughout this region—Imperialism, which entered Central America through the door opened widely before it by party hatreds, low passions, the tyranny of Zelaya, with his record of sixteen years of despotic government, the unbounded ambition and the shameful collusion of a group of immoral, godless and unscrupulous men who in exchange for power delivered up and sacrificed their country; Imperialism, which made its power felt alike in Panamá and in the Antilles, and which, in this same year of 1916, added to its triumphs by ratification of the treaty of 1915 with Haiti, by landing marines in Santo Domingo, turning to its own use treachery and moral perversity to develop its expansionist program; Imperialism, hostile to morality and justice, neither accepting nor practicing any other right than the odious right of force.

After ratifying the Bryan-Chamorro treaty, Washington concentrated its intervention policy upon Central America. When the peoples of those nations wished to celebrate in a fitting manner the first centenary of their independence, by reviving the old Isthmus federation, the American Secretary of State frowned upon the project, fearing that Central America, if thus again united in a federation, would repudiate the immoral agreement above referred to. Hence, the delegates of Diego Manuel Chamorro, *second* President of that name, and *third* mandatary of the dynasty crowned by imperialism, brusquely abandoned the Unionist conferences on Jan. 17, 1921, on the eve of the date appointed for the signature of the Treaty of Union in San José of Costa Rica. When, despite Washington and its accomplices, this treaty was signed and the triple Government of

Guatemala, El Salvador and Honduras was formed on Oct. 1, the American Government shipped sufficient war munitions to Chamorro to control the situation (*The New York Times*, Dec. 2, 1921), notably because the people of Nicaragua were demanding admission to the new federation and a general uprising was feared.

When, on Dec. 5, General José María Orellana, through an armed band, forced the resignation of the Chief of State of Guatemala, thus endangering the stability of the new federation, Washington hastened to disconcert and baffle the Federal authorities by its note of Dec. 23, addressed to the Chiefs of State of Honduras and San Salvador; and the Triple Republic thus died stillborn. With its dissolution, Central America again fell into a state of confusion and tumult. Then the American Government again intervened, and on Aug. 20, 1922, there was signed on board the U. S. S. Tacoma, in the Gulf of Fonseca, a peace protocol leading to the new conferences at Washington and the new peace treaties of Feb. 7, 1923.

When, subsequently, the revolution broke out in Honduras, before the above-mentioned treaties had been approved by the legislative power of that republic, the Department of State interpreted them to suit itself and applied them in its intervention. When Emiliano Chamorro in Nicaragua gained power by a *coup* on Oct. 25, 1925, directed against the legitimate Government, which was enabled to arise only through the unexpected death of Diego Chamorro, above referred to, Washington withheld recognition only because it desired to preserve appearances. But it kept its legation in Managua near the *de facto* régime, and forced the cowardly Governments of the other republics to bind themselves to neutrality and to prevent the enemies of the usurper from obtaining arms (message of President Coolidge to Congress, June 10, 1927).

#### THE RECENT TRAGEDY IN NICARAGUA

When, at last, the Nicaraguans supported the Constitutional Government on the field of battle, Washington again imposed its dictates on Adolfo Díaz, and, as in 1909 and 1912, placed all the moral and material weight of imperialism—its cruisers, its arms, its marines, and Wall Street's dollars—at the service of iniquity.

Happily, this new tragedy in Central American territory has served to demonstrate that the people of the United States, the heroic people of 1776, the people who crossed the Atlantic Ocean ten years ago to

offer up their lives to the cause of justice, liberty and right, the people of George Washington, Jefferson, Lincoln do not support the policy of aggression and oppression followed by Imperialism. For this nation knows that if the glorious founders of the American Republic were in the White House they would not put the power of their country at the service of base causes and corrupt interests, to the disadvantage of weak nations; nor offer their hand to men devoid of morality who betray their own country; nor, because of their lofty spirit of rectitude and honor, would they be capable of crushing a small nation, still less so under the pretext of protecting rights which legally, in the specific case of Central America, neither exist nor ever have existed.

And the American Nation also knows that Imperialism is its worst and greatest enemy, inasmuch as by its sowing of hatred and suspicion, rather than assurance of protection and security, it offers to the United States a tragic prospect of violence, discredit and revenge. Hence, public opinion in North America has vigorously condemned the procedure of the Washington Government; and the great daily newspapers, without heeding the complaints of the White House, eminent professors, famous Senators, students, lecturers and working people have all become converted into sentinels and guards of the great ideals loved and respected by all high-minded men. This noble and just attitude is the bridge that still unites the America that speaks English and the America "that prays in Spanish." And this is what assures the Latin-American republics that their territorial integrity and sovereignty can count on loyal and sincere defenders in the United States. In the last analysis, this must be the firm and solid foundation of the new Pan-Americanism, the Pan-Americanism of the peoples of America, as opposed to the harmful influence of exploiting bankers or blind imperialists who cannot see the future.

#### LATIN-AMERICAN "POLITICIANS"

And the painful conflict in Nicaragua has also been useful in revealing, in all its nakedness, the terrible moral weakness, the appalling corruption that prevail among those worthy "politicians" who order and dispose as they see fit in Latin America while hiding in the shadow of the public budget. Devoid of all patriotism, of all nationalistic feeling, bent only on satisfying their own personal desires, they are the allies of imperialism which joyously supports and enriches them in order to profit

by their lack of honor to obtain concessions or conclude treaties. Can anything more shameful to the Latin-American race be imagined than that their respective Governments should witness with folded arms the misfortune of a sister nation, keeping their eyes fixed on Washington, which flatters and smiles on them? Is it not lamentable that in the Pan-American Building representatives of those countries have not moved a finger nor tried in any way to remedy an atrocious wrong, the most immediate result of which has been, as it was bound to be, the absolute dishonoring of that official Pan-Americanism of Congresses, speeches, banquets, festivities and junketings? Are there any words to describe the criminal inactivity of the Central American Governments while the blood of innocent victims was being shed on the territory of the Isthmus? How, on the other hand, can the fact be explained that in 1923 new pacts were signed while Chamorro, violator of the previous pacts, was there representing Nicaragua? How could the plenipotentiaries of the offended republics keep silence while the outrage of the treaty continued, and how could they sit at the same table with him (Chamorro) and lavish attentions upon him and call him "Your Excellency"? How came it that history did not teach them that the new agreements would be converted into a weapon for imperialism, and that they would be violated by imperialism and by its accomplices at Managua, as in fact they were violated within a few months and repudiated like those of 1907? How could they bind themselves to remain neutral in Central American conflicts without demanding similar neutrality from the Washington Government?

Against all this, which seems incredible, but which is true, against such baseness, servility and cowardice, against such pilots of the ship of State, an energetic campaign will have to be launched to combat effectively the onset of intervention and conquest. Men like Díaz and Chamorro must not be able to prosper and thrive in America. Let the Nationalist movement, vigorous and idealistic, surge forth; let us put an end to political immorality, and let us purify ourselves as much as possible, in open conflict with the corruption that is killing us. Let there be a supreme ideal, a great patriotic ideal above all things and above all passions, and the triumph of imperialism will be impossible. In the long run, the victory will have to go to the nations that are worthy, the nations that are morally sound, the nations that are honest.

# A Central American Indictment of the United States

By MARIO RIBAS

EDITOR OF *Renacimiento*, TEGUCIGALPA, HONDURAS

IT was not until 1906 that the United States became an active factor in Central American politics; before then the American policy toward these countries had been one of "watchful interest" of a big country over its weaker neighbors. Revolutions came and revolutions passed, but the United States limited itself to the protection of its own interests through the usual diplomatic channels in a manner which indicated respect for the sovereign rights of other nations.

In 1906 war was in progress between Salvador and Honduras on the one side against Guatemala on the other. To put an end to this strife, the United States tendered its good offices as a friendly mediator, and a conference was ultimately held on board the U. S. cruiser *Marblehead*, as a result of which the dove of peace flew again over Central America. Shortly afterward, however, the clouds of war again began to hang low in the Central American sky, and relations between Salvador, Honduras and Nicaragua became tense and full of menace. Again the United States adopted the attitude of a brotherly neighbor and suggested a conference, this time not on board an American warship, but on Honduran soil. The conference was held at Amapala early in 1907 between Presidents Dávila of Honduras, Figueroa of Salvador and Zelaya of Nicaragua. In addition to other things, it was agreed to sign a treaty of peace and amity between the three countries and to invite Guatemala and Costa Rica to sign it also in a conference of the five countries to be held some time later. At the suggestion of the United States, the conference was held in Washington toward the end of the same year. The United States, in order to demonstrate its sincerity and good-will toward Latin America, agreed that Mexico should together with the United States sponsor the conference and whatever treaties were signed by the Central American Governments at that conference. Finally, in December, 1907, there were signed the Central American Treaty of Peace and Amity and several

other important conventions, one of which was the creation of the Central American Court of Justice at Cartago, Costa Rica, a sort of Hague Tribunal for the settlement of Central American disputes.

In 1909 the Washington Treaty of 1907 was subjected to a severe test which it did not resist. Juan Estrada, commanding the Atlantic Zone of Nicaragua, rebelled against his own chief, President Zelaya, and, assisted by Emiliano Chamorro, Adolfo Diaz, Luis Mena and José Madriz (and also by certain American commercial interests), succeeded in securing control of the whole North coast of Nicaragua. In the meantime, the United States Government looked complacently upon the progress of the revolution, and the American Navy closed its eyes when a ship with arms and ammunition for the rebels happened to pass before American cruisers in Nicaraguan waters. President Estrada Cabrera of Guatemala was affording strong support to the revolution against President Zelaya, and Central Americans wondered why it was that the United States did not call his attention to the Washington Peace Treaty, and why the United States Government itself did not show some sympathy to the Zelaya Government, a signatory to the treaty and a legally constituted Government. On the contrary, the attitude of the United States seemed to prove that her sympathies were with the revolutionists. Central American opinion was puzzled until two Americans, Le Roy Cannon and Leonard Groce, who were fighting for the revolutionists were captured by President Zelaya's forces, court-martialed and finally shot. This resulted in a note to the Nicaraguan Government from Secretary of State Knox which was tantamount to a declaration of war. Central America then saw the situation clearly—the United States desired the fall of President Zelaya, a strong man who for over fifteen years had been the undisputed dictator of Nicaragua. From that moment everybody knew that Zelaya was doomed.

The revolution continued to receive moral support from the United States and moral



and material support from other quarters. Zelaya was told to leave the country while he had the opportunity, and in the middle of 1910 he embarked on board a Mexican gunboat sent to Corinto for that purpose. General Juan Estrada was appointed Provisional President and soon afterward he turned over the Presidency to Adolfo Diaz, who appointed General Luis Mena as his Minister of War. There was, however, much intrigue amongst the victors, and Mena, who fell under suspicion, was jailed by Diaz. He escaped, however, and started a revolution against his former allies. This was in July, 1912. The revolution, which grew stronger every day, soon threatened the existence of the new régime, which was very much in the graces of the United States. To support this new régime, which was itself a revolutionary Government, the United States landed several thousand marines in Nicaragua, and hostilities broke out between them and Nicaraguan rebels headed by Mena. Thousands died, and finally the marines, after severe fighting, took the city of Massaya, the last stronghold of the revolutionists. This ended the war, and Diaz's position was made secure, but from that day on a detachment of marines was stationed at Managua. It is well to mention here that the marines were landed at the request of Diego Manuel Chamorro, then Minister of Foreign Affairs in the Diaz Cabinet.

#### CENTRAL AMERICAN PERPLEXITY

The question that Central Americans could not answer was this: How is it that, although two years before the United States had thrown her sympathies on the side of the revolution against a legally constituted Government signatory to the peace treaty, it now not only sympathized with but actually undertook armed intervention to help a revolutionary Government against a revolution? Was there some powerful reason for this new departure? Yes, there was a reason. It was this: That while the revolution headed by Mena against Diaz was going on, the United States had made an agreement with the Diaz Government, known as the Dawson pact, later embodied into the Castrillo-Knox treaty, in virtue of which Nicaragua practically surrendered financial control of the country to the United States. This treaty was signed in 1912; revised by the Chamorro-Weitzel treaty of Feb. 8, 1913; later transformed into the Chamorro-Bryan treaty of Aug. 5, 1914, and ratified by the United States Senate in 1916. This final treaty, which Central America considered as the price

paid by the Diaz Government for American assistance, first as a revolutionary group against the Zelaya Government and later as a Government against the Mena revolution, grants to the United States the right to establish a naval base in the Bay of Fonseca, the right to build a canal through Nicaragua and a lease on the Big Corn and Little Corn Islands.

This treaty is the source of most of the Latin-American feeling against the United States, not absolutely because of its nature, but because of the manner in which it was consummated. Its terms ignored completely the rights of Costa Rica over the San Juan River, duly recognized by the Cañas-Jerez treaty of 1858 and confirmed by the Cleveland award of 1888. It also ignored the rights of Honduras and Salvador in the Bay of Fonseca, which belongs to Nicaragua, Honduras and Salvador conjointly. The treaties, made by the United States, we might say almost in violation of the Washington Peace Treaty of 1907, with the revolutionary Government of Nicaragua; the apparent contempt for the rights of Costa Rica in the San Juan River and for the rights of Honduras and Salvador in the Bay of Fonseca, gave rise to an outcry throughout Latin America against American "Imperialism." Everybody now believed that the fall of President Zelaya under strong American pressure and the open support given to the revolutionary Government of Diaz were due exclusively to the desire of the United States to establish in Nicaragua a régime from which it could exact these unpopular treaties in return for assistance rendered. If these treaties, which it is generally admitted are essential to American security and perhaps are good also for Central American progress, had been negotiated with a normal Government under normal conditions and if, before signing them, the United States had taken into consideration the rights of Costa Rica in the San Juan River and the rights of Honduras and Salvador in the Bay of Fonseca, they might very likely have received the approval of Latin-American opinion. Hence it is my belief that it is not precisely the nature of American policies which arouses so much criticism in Latin America as the manner in which these policies have been conducted.

Let us now return to 1911 and to Honduras. In the beginning of that year a revolution was in progress in Honduras against the Government of President Miguel R. Dávila, who had sent a mission to the United States to negotiate a loan with

American bankers to be used for the settlement of the external debt and for general improvements in the country. The loan contract was signed with a group of New York bankers, and an agreement, known as the Paredes-Knox Convention, was made between Honduras and the United States whereby Honduras gave customs control to the United States. The signature of these two important documents gave moral strength to the revolutionists, who appealed to "sentiment" to arouse the country against Dávila, who, it was said, "was selling the country to the foreigners." Both the loan contract and the annexed Paredes-Knox Convention were sent to Honduras to be approved by the Executive Power and ratified by Congress. President Dávila, however, was losing ground every day to the revolutionists headed by Manuel Bonilla, and he was also losing his influence over Congress. On Jan. 28, 1911, he cabled directly to President Taft the following message: "Government is resolved to approve loan contract and convention, but to do this there must be a suspension of hostilities so as to avoid further bloodshed. If your Excellency can lend your valuable intervention to stop the war the Government and people of Honduras will have one more reason to be grateful to the United States and its President for the great interest shown in the peace and prosperity of this country."

#### PRESIDENT DAVILA'S FALL

In reply to this message the United States cruiser Tacoma was dispatched to Honduran waters obviously to "cooperate" in the re-establishment of peace. The first act to this end was the capture in the Bay of Trujillo of the rebel ship Hornet. For a moment President Dávila thought he could count on the material support of the United States, and thinking this fact would have a salutary effect upon the Congressmen he sent to Congress for ratification the loan contract and the annexed Paredes-Knox Convention, both of which were rejected by an overwhelming majority. This marked the doom of Dávila. From that day no further steps were taken by the United States to help him to combat the revolution. The rebels seized some of the North coast ports, and when Dávila sent troops to recapture them the United States gunboats declared the ports "neutral zones" where no fighting was allowed. The revolutionists were thus given a very favorable position which finally led them to victory and gave them full control of the Atlantic

coast. Central Americans here also wondered what had become of the Washington Peace Treaty, according to which a legally constituted Government was entitled to at least full moral support. Again Central American opinion suspected that the impending fall of Dávila was due to his inability to pass through Congress the loan contract and the Paredes-Knox Convention. Indeed, while the capture of the rebel ship Hornet in Trujillo had been evidence of support of President Dávila, the declaration of neutral zones on the North coast meant exactly the contrary. It was therefore alleged that this change of policy completely ignoring the Washington Peace Treaty was due exclusively to Dávila's failure to pass the loan and the convention through Congress.

The success of the revolution was not due entirely to the victory of its arms; it was due to a greater extent to American diplomacy. While Dávila was still in power, the United States, now decidedly favoring the revolutionists, proposed, through Thomas C. Dawson, the American Consul at Puerto Cortés, a conference on board the Tacoma and suggested that both President Dávila and the revolutionists should send delegates. This was done, and the Captain of the ship and the American Consul, ignoring all proposals from the Government delegates, asked the delegates of the revolutionists to submit three names as candidates for the Provisional Presidency, one of whom, Dr. Francisco Bertrand, was accepted. President Dávila, like Dr. Sacasa recently in Nicaragua, knowing that he could not fight against his enemies if they were supported by the United States, resigned his office and ended the war.

From 1913 to 1919 there was peace in Central America, the attention of the people being focused on the World War and the problems arising out of it which affected the whole world. Something happened, however, in 1915 which greatly affected Pan-American friendship. As has already been said, the Chamorro-Bryan treaty affected the rights of Costa Rica in the San Juan River and the rights of Honduras and Salvador in the Bay of Fonseca. It was therefore decided by these Governments to submit the controversy to the Central American Court of Justice created by the Washington Peace Treaty of 1907. The court ruled that Nicaragua could not rightfully sign such a treaty with the United States and that the treaty was null and void. In other words, the court, created, we might say, by the United States, gave a

verdict condemning the United States and Nicaragua for signing a treaty in violation of the rights of other Central American countries. Both Nicaragua and the United States ignored the decision. It was clearly seen now that the court, like the peace treaty, both created at Washington in 1907, when put to a test, failed utterly. This was the end of the court, although its official career did not cease until 1918.

In 1919 a revolution broke out in Honduras which received certain support in Nicaragua; the leader, General Rafael López Gutiérrez, had his headquarters right on the Honduras-Nicaragua border. It is well known that the Government of Nicaragua, which was then and is now formed by the same group put in power when Zelaya fell in 1910, listens to suggestions from Washington and that, if a revolution against Honduras is allowed to start from Nicaraguan soil, it is to be accepted as a fact that it has the approval of the United States. The revolutionists soon secured control of half the country; President Bertrand held the capital and certain other important points and was still in a position to keep on fighting. However, a note from the American Legation informed him that he must leave the country and turn over the Government to the rebels. Bertrand complied, and General Rafael López Gutiérrez at the head of his revolutionary army entered Tegucigalpa in September, 1919. Elections were held shortly afterward when General Gutiérrez was elected and duly recognized by the United States Government.

#### CONCESSIONS TO AMERICANS

Three striking facts appeared now clearly before the Latin-American mind. The revolution of 1910 in Nicaragua had received assistance from the United States against the legal Government of Zelaya; as soon as the rebels secured power they proceeded to sign the now famous Chamorro-Weitzel and Chamorro-Bryan treaties. The revolution of 1911 in Honduras had been assisted by the United States against the legal Government of Dávila and as soon as the rebels took the power they granted to American corporations the most onerous concessions this country has ever known, including exemption from paying certain taxes and so forth. With the coming into power of the Gutiérrez revolutionary Government, more concessions were granted to Americans, including certain monopolies which are still weighing heavily upon the Honduran economic system.

Latin-American opinion continued to be disappointed and ill feeling kept on growing against the United States. The Washington Peace Treaty had been ignored in a most flagrant manner and no good whatever had come out of it.

General Gutiérrez took over the Presidency of Honduras in February, 1920, and during that year granted further concessions to American interests. After 1920 a series of revolutions started against his Government. He had to face twenty-seven revolutions in three years, all of which, with three exceptions, were hatched on Nicaraguan soil (controlled diplomatically by the United States), and not one of which was prevented, although everybody knew that a warning from Washington to the Nicaraguan Government would have brought an end to revolutionary activities on the border.

Let us now see how a revolution is really stopped when the United States takes special interest in stopping it. In 1922 Salvadorean rebels were about to launch a revolution from Honduras against the Government of Salvador; the rebels received assistance in money, arms and men from Honduras, and were so strong and well equipped that Jorge Meléndez, the President of Salvador, considered the situation highly critical. He appealed to the United States because he was at the time negotiating a loan of \$17,000,000 in New York and required a few more months of peace to complete the transaction. Five days before the date set for the invasion of Salvador by the revolutionists from Honduras the United States warship Tacoma arrived at Amapala and the United States Government notified the Government of Honduras that the revolution against Salvador *must* be prevented and a conference held on board the Tacoma to discuss "peace and friendship." President Gutiérrez thought it too late to stop the invasion, as everything was well under way and large bodies of troops were moving fast toward the Salvador boundary. The United States declared that fact immaterial; the revolution must be stopped, and the conference must be held—President Meléndez's negotiations for a loan in the United States must not be disturbed. President Gutiérrez yielded to pressure and accepted the conference. The projected revolution was stopped, the leaders of the revolution were ordered out of the country and the rebel troops disarmed by the same Honduran authorities who had armed them a few days before.

The conference was held on board the



Tacoma in the Bay of Fonseca between Presidents Gutiérrez of Honduras, Meléndez of Salvador and Diego Manuel Chamorro of Nicaragua. There were also present the three Foreign Ministers and the three American Ministers accredited to those countries. A new pact of peace, friendship and amity, signed on Aug. 20, 1922, by the three Presidents, the three Ministers of Foreign Affairs and the three American Ministers, stated that no further revolutions would be allowed and that the signatories would see that no further armed invasions took place from one country into another. This treaty appeared to foreshadow a very optimistic future for Central America. The United States had on this occasion actually avoided a revolution, but it was one against a country which was negotiating a loan in the United States as a result of which control of the customs would pass to Americans. The Tacoma pact also stated that some time in December of that year the five Central American Governments would hold a conference to make new treaties in place of those of 1907.

Five days later, just two days after President Gutiérrez had returned from the conference, a strong revolution, which it was later discovered had been prepared during the very days that the conference was being held on board the Tacoma, broke out against the Honduran Government. The revolution came from Nicaragua and had received assistance from the Nicaraguan authorities, but nothing was done by anybody to stop *this* revolution, which for a time threatened the very existence of the Gutiérrez Government. The explanation given by Latin Americans to this puzzling situation was, of course, that Honduras was not then negotiating an American loan nor offering the United States control of its customs.

#### CENTRAL AMERICAN PEACE TREATY

In December, 1922, the five Central American Governments sent delegates to a conference at Washington. In February, 1923, the conference accepted and signed the Central American Treaty of Peace and Amity and eleven conventions, an improvement on the treaty of 1907.

Twelve months later, in February, 1924, war broke out in Honduras—the most destructive war in Central American history. American-made airplanes piloted by American aviators in the service of the revolutionists bombed the capital of the republic, doing no damage to the military works but causing havoc and loss of life among the

civilian population. For three months the United States looked indifferently upon the situation while Honduras was being annihilated. For forty-five days the capital of the republic was besieged, while fighting took place continuously on the outskirts of the town. President Gutiérrez died during the siege, and control of the Government was assumed by a dictatorship composed of the members of the Cabinet. Toward the end of the struggle marines were landed, 200 of them coming to Tegucigalpa to “watch” the operations as observers. The war went on until the revolutionists finally assaulted the capital on the night of April 27 and took the city, the last stronghold held by the Government. The members of the Government took refuge in foreign legations and the Government army was completely dispersed or in flight.

On April 20 Mr. Sumner Welles had arrived in Honduras as the personal representative of President Coolidge. Mr. Welles had several meetings with the leaders of the revolution and with the officials of the Tegucigalpa Government, but failed to secure a suspension of hostilities. Then he proposed a conference on board the United States cruiser Milwaukee at anchor off Amapala. The object of the conference, it transpired later, was not the conclusion of peace but merely the appointment of a Provisional President. Once on board, however, a treaty of peace was proposed by Mr. Welles. While the terms of the treaty were being discussed the revolutionists took Tegucigalpa by sheer force of arms on April 27, as already stated. The delegates of the Government (a Government which no longer existed) declared that they had no further authority, their powers having ceased with the falling of the Tegucigalpa Government. The war had ended at 10 A. M. on April 28, but Mr. Welles insisted that a “treaty of peace” between the two factions be signed anyway! And so on May 3, exactly *four days after the war had ended, and hostilities definitely suspended*, the treaty was signed ending the war which no longer existed! The Government delegates affixed their signatures to the document, stating that they were signing on behalf of a Government which had passed away four days before. And General Vicente Tosta, one of the leaders of the revolution was declared Provisional President of Honduras.

Once the war had ended, the United States Government notified the ruling party that when elections were held the people of Honduras could not elect General Tiburcio Carias, the candidate they had selected,

thus preventing the winning party from electing the very man to elect whom the war had been fought. This, the people said, was an imposition on the people of Honduras, for General Carias was at the time their idol. He was, however, barred from the Presidency.

In August of that same year, 1924, another revolution broke out in Honduras. It was led by General Gregorio Ferrera, lasted four months and was another destructive struggle for Honduras. The United States watched the situation from afar and did nothing to stop hostilities. It finally ended with the victory of the Tosta Government in November of that year.

In 1926 war broke out in Nicaragua. The United States looked on until the revolutionists controlled almost the whole country and were knocking at the gates of the capital, where President Adolfo Diaz was guarded by American marines. Then Mr. Henry Stimson steps in as the personal representative of President Coolidge and says to the victors: "You have fought hard for a year; you are victorious, but here is where you stop, for we shall not allow the overthrow of Adolfo Diaz." Rather than start fighting against the American marines, the Sacasa forces accept the terms imposed upon them and surrender before the threatening ultimatum of the United States Government. President Diaz, helped into power as a revolutionist by American assistance in 1910, is once more made secure in the Presidential chair by American marines. Once more Latin-America wonders why the United States did not take this step before so much destruction had been wrought in a war which lasted over ten months.

#### GRIEVANCES AGAINST THE UNITED STATES

Summing up these facts it looks to the Latin-American as if the United States sought always to place weak men in power who soon, tottering on their Presidential legs, have to appeal for American assistance to enable them to stand since they can no longer count on adequate support from their own countrymen. Another grievance is the tardy mediation or intervention of the United States in Central American armed conflicts. If American intervention has to come anyway, say some Latin Americans, it might come in time to prevent destruction and bloodshed, not after everything is finished and there remains only to decide who is to be the next President. There is yet another source of ill feeling against the United States, and that, it is

fair to say, is perhaps not justified, for the American Government, we believe, has very little or no responsibility at all in the matter. It is the increasing influence exercised in these countries by certain large American companies. They take advantage of critical moments to offer their assistance in return for favors which are frequently injurious to the country's best interests. They secure privileges and concessions, and although they do much good to the country through their commercial, industrial and agricultural activities, they are exempted from paying certain taxes and duties and often go beyond reasonable limits. For example, they establish commissariats, thus eliminating any possible competition in commerce on the part of the native merchants.

In view of these facts, which possibly are not always known to the American people, it is not strange that the ill feeling against the United States keeps on increasing in Latin America. It is pointed out that the American intervention in the internal affairs of Central America does not serve any purpose other than to humiliate the people, to impose upon them Presidents who are not of their own choosing, to obtain unpopular treaties or to force them to accept onerous loans; but American intervention never prevents a war, never stops a destructive struggle. A careful study of the whole situation including the activities of certain American syndicates, the negotiation of onerous loans which do not always come under the scrutinizing eye of the State Department, the supply of arms from the United States to revolutionists—all this should be the subject of a careful investigation by those Americans really interested in the welfare of Central America and desirous of reviving the old Pan-American friendship.

Latin Americans in general are not hostile to the United States, but they feel that all they receive from the United States is not worth the humiliations they suffer. Because of the high price they pay for American "assistance," they begin to feel that the business is not a very profitable one for Central America. If Pan-American friendship has to endure and prosper, a new basis is necessary for the relations between the United States and Latin America. A new policy "with no selfish ends to serve," backed by sincerity of purpose and founded upon mutual respect—that will bring to the United States the friendship and good will of the peoples of Latin America.

TEGUCIGALPA, HONDURAS.

# Cuba's Case for the Repeal of the Platt Amendment

## *The Views of President Machado*

By RAFAEL RODRIGUEZ ALTUNAGA

COUNSELOR OF THE CUBAN EMBASSY, WASHINGTON; FORMER SECRETARY, CHARGE D'AFFAIRES  
AND COUNSELOR OF THE LEGATION OF CUBA AT BOGOTA, MONTEVIDEO, LONDON AND BERLIN

WHAT are the origins of the international relations existing between Cuba and the United States? What is the feeling about those relations in Cuba, today, and how are they viewed by General Gerardo Machado, the President of Cuba?

Cuba's struggle for liberty for fifty years ended with the entrance of the United States, in April, 1898, into the war between Spain and Cuba in favor of the Cubans. As a clear indication of its unselfish aims, the United States sent its armies into the conflict only after a solemn pledge taken before the face of the whole world in the now famous joint resolution of the American Congress (April 19, 1898), to the effect that: "Cuba was and by right must be free and independent," and that the United States renounced "exercising over Cuba any sovereignty, jurisdiction or control." Has there ever been recorded in the annals of human history an action of loftier disinterestedness, except perhaps the record of a similar act by Bolivar and San Martin, when they bestowed freedom on whole nations without taking from them a foot of territory or subjecting them to any form of vassalage?

The island of Cuba had scarcely been pacified, on May 20, 1902, when the American Military Government delivered over the Administration of Cuba into our hands, and Governor Wood retired, bearing with him the eternal gratitude of the Cubans for his irreproachable conduct as a model Governor.

Some months before, however, in March, 1901, and apparently in an incidental way, although its historical antecedents are known, there was brought forward in the American Senate an amendment to an "appropriation bill," which amendment was sponsored by Mr. Orville H. Platt, Senator from Connecticut; under its terms there was imposed upon the Cubans, as a condition

for the attainment by them of the status of a republic, the acceptance of the provisions of the amendment referred to, known today as the Platt Amendment. Those provisions are substantially as follows:

1—Cuba shall conclude no agreement which impairs its independence or concede territory or jurisdiction to other Powers in its territory;

2—Cuba shall contract no debts without voting the funds to pay them;

3—Cuba consents to intervention by the United States to guarantee the life and property of its inhabitants;

4—Cuba shall maintain its sanitary system in good condition;

5—Cuba shall cede to the United States fixed maritime zones as coaling stations;

6—Cuba shall confirm as valid all acts of the American Government during its military occupation, and all acquired rights shall be maintained and protected;

7—The ultimate possession of the Isle of Pines shall be fixed by a treaty between Cuba and the United States;

8—These provisions shall be embodied in a permanent treaty. (The treaty was concluded by Cuba and the United States on March 22, 1903.)

What remains, it may be now asked, of that permanent treaty or the Platt Amendment, a scandalous arrangement used as a weapon by the enemies of the United States whenever the subject of Spanish-American politics arises? Nothing that justifies its existence, which is alike harmful to the moral interests of the Americans and most painful to the patriotic sentiment of the Cubans. The mere summary of its terms proves this. Cuba, which fought for its freedom at an enormous personal sacrifice, cannot barter away, or compromise its independence, by ceding, for instance, any territory or jurisdiction in its dominions to foreign Powers. This is the historic motive of the Platt Amendment, which, in its widest extension, embraces the whole of Latin America under the name of the Monroe Doctrine. (Message of President Monroe of Dec. 2, 1823; Message of President Polk to the American Congress of Dec. 2, 1845;

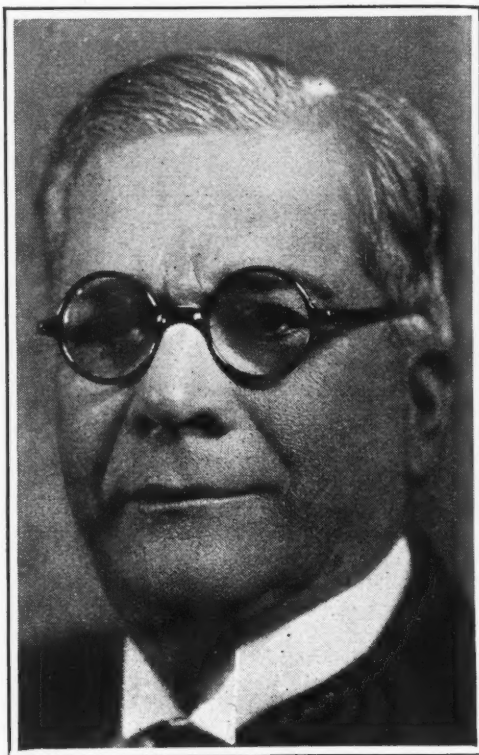


Special Message of President Grant to Congress of May 31, 1870; Messages of President Roosevelt, of Dec. 6, 1904, and Feb. 15, 1905).

The history of Continental American policy reveals the fact that foreign rule in the Greater Antilles was the great and absorbing fear of the eminent statesmen of this country. The geographical situation of Cuba, however, makes of it, as it were, an oasis of peace at the crossroads of the world's commerce. Its ideal is not conquest, for which its very smallness would be an invincible obstacle. Its territorial integrity and freedom are tacitly guaranteed, if not by the sister republics, at least by the United States, without any Platt Amendment, through the operation of the Monroe Doctrine itself. The whole world knows that no foreign Power would dare to set foot in Cuba and abuse our weakness, without calling forth all the formidable strength of the great nation of the North which, since the time of Jefferson, has been opposed to Cuba's possession by any European Power.

Cuba has demonstrated its good financial stewardship by canceling its international debts. Despite the extremes of its tropical climate, its mortality is only 12 per 1,000, a record unsurpassed by the most civilized and progressive nations of Europe and America. The Isle of Pines has been preserved for our own dominion through a treaty with the United States, and as for the Naval Station, the United States already possesses it in the zone of Guantánamo; yet it cannot be said that this zone is needed for the defense of the American coasts.

Thus, then, apparently only the right of the United States to intervene in case the life and property of the inhabitants of Cuba should no longer be assured, remains valid. But here, precisely, the Americans have proved their respect for Cuba's sovereignty. The Republic of Cuba has now been in existence for twenty-five years, and during that time no one can point to a single act of violence or oppression committed against us by the American Government. The military intervention of 1906 was neither sought for nor provoked by the Americans; it was a Cuban President—whose record is otherwise blameless and of honored memory—who, behind his Cabinet's back, delivered over to Mr. Taft, President Roosevelt's Commissioner, the government of the island. This was an act of memorable folly in which both rulers and revolutionists had their share of blame, because of their refusal to compromise; political passion extinguished



Wide World

## PRESIDENT MACHADO OF CUBA

patriotism, and the republic was overthrown at the hands of its own sons.

Who can justly say that the Americans came to Cuba as intruders upon a defenseless people? The American Government has never shown any desire to meddle with Cuba's affairs. Statements by its Presidents and even by the Supreme Court (case of the Isle of Pines) have reiterated again and again that Cuba is a sovereign nation, and that the United States has no jurisdiction there. Cuban politicians, spurred on by motives of personal spite, have come to the White House in Washington, and knocked on its doors, appealing *ad papam melius informandum*, but the doors of that august mansion have refused to open to them, because the judges abiding there have declared Cuba to be an independent nation, and beyond their jurisdiction.

This is the real situation. But the Platt Amendment, though now virtually nonexistent, is still exploited by those who attack the American nation and is made by them the basis and justification of the most insulting charges. These insults also wound

us Cubans. Textbooks of international law, the most respectable magazines, newspaper articles, beginning with American papers, certain publications of the Printing Office at Washington (List of Publications relative to Porto Rico, Cuba and the Philippine Islands, 1927); yearly publications and encyclopedias, all frankly call Cuba an American Protectorate, a semi-sovereign State, made subject to the American nation by the bonds of the Platt Amendment or Permanent Treaty.

Is the visible existence of this mandate necessary for the United States, in order for it to intervene energetically, either in Cuba, without the Platt Amendment, for instance, or in any other country of America, when human life and property are contemptuously disregarded by men, swept away and frenzied by the tempestuous upheavals of politics? Only if it were proved to us by actual fact that the amendment is necessary in those cases as a sanction approved by the laws of universal ethics, applied particularly to Cuba, then, and then only, would we withdraw our objections.

A nation, especially one as much moved by sentiment as ours is, is bound to suffer when it sees itself humiliated in its national dignity by being called a subject people, to say nothing of other less delicate characterizations. Since May 20, 1902, we Cubans have suffered silently from the outside world's inability to believe in our independence, and this hinders the free development of our international life. The truth, of course, is just the opposite, but the honor of a nation, as well as that of individuals, does not lie only in the essential rectitude of their actions, but also in the way those actions appear and the way in which other people speak about them. As long as the world sees the antiquated machinery of the Platt Amendment still standing, it will go on thinking, as it has thought hitherto, that our presumptive sovereignty is defective.

Confronted by this situation, the President of Cuba, General Gerardo Machado, the real reconstructor of the Cuban republic, a warm and admiring friend of the United States, convinced of the need of mutual intelligence and cooperation to solve many problems which affect both nations in equal measure, insists more and more on the necessity of abolishing the Platt Amendment, as fatal to Cuba and useless to the United States. In making these observations I am not now speaking under the direct inspiration of President Machado, for they are a secret to no one. On May 9, 1922, long before he was a candidate for the Presidency, General

Machado declared in a statement published by a Havana periodical that "the Platt Amendment, neither by its historical precedents, nor by the interpretation of its American authors, nor by its literal terminology, nor in the light of international law, nor in the opinion of its commentators, has been, nor does it embody a limitation upon our independence or upon our sovereignty."

Finally, when elected President of the republic, General Machado, before entering upon his office, came to the United States, and at the banquet given in his honor in New York by the Arbitration Society of America on April 27, 1925, he delivered an address in which he made no concealment of his patriotic views. He spoke in part as follows:

When the Republic of Cuba was established, the American Government thought it expedient to make reservation of certain rights, and so decided to adopt the Platt Amendment. To the United States at that time this seemed a necessity. There existed a certain disquietude over possible deficiencies due to the lack of political preparation of the Cuban people, and the influence of the colonial régime which had thitherto prevailed. But circumstances have changed: the education of the people has noticeably improved; the last election showed great civic spirit; and after the tenure of my Government has expired, and the capacity of the Cuban people for self-government has been again demonstrated, confirming on a wider scale both the affection and the unity of the political and economic interests of both countries, I believe that I shall come back here, to ask you to cooperate with me in an attempt to find a new formula, breaking down the obstacles represented by this amendment, to the end that you and we, the American and the Cuban peoples, linked in one great and harmonious desire, may make Cuba as sovereign and supreme over its own destinies, as absolutely free as any other nation of the world; as free as the United States of America itself.

The fear of Jefferson, Monroe, Polk and all the statesmen of this country generally, to see established in Cuba some Power which would threaten American security, definitely ceased when the Cuban republic was born. Our nearness to the American coasts and the new instruments of war that have arisen compel the conclusion that if the devotion of Cuba to the United States were not deep-rooted in our hearts, Cuba's own instinct of self-preservation would make it so.

If sincere friendship between nations, as Sallust wrote when speaking of the wars of Jugurtha, is what forms a noble alliance between peoples, and not money or selfish interests, then it may be truthfully asserted that a pact of eternal alliance with the magnanimous nation which with splendid disinterestedness aided in the establishment of the long dreamed of Cuban republic, has been sealed and ratified in all Cuban hearts.

# Labor Organization in Latin America

By SANTIAGO IGLESIAS

SECRETARY, PAN-AMERICAN FEDERATION OF LABOR

THE extent to which the masses of the wage-earners of the New World republics are beginning to associate together and discuss among themselves their respective domestic problems and their common international problems was marked in a striking manner by the fifth Congress of the Pan-American Federation of Labor, which was held in Washington in the latter part of July. That Congress brought together representatives of the workers of twelve republics in the Western Hemisphere, while the labor movements of five other republics sent word of their support of the Pan-American movement and their regrets that for one reason or another the sending of delegates had been rendered impossible.

It was the first time most of these representatives of labor had been in the capital of the United States. They found that they could speak their minds freely, without any fear of prosecution or retribution. They found that they could criticize freely the Government of the United States for policies which seemed to them harmful to their own countries. In some cases these criticisms were of an extreme character, but even then the delegates found that their freedom of expression was not restricted. These men were not indulging in platitudes. They were speaking candidly about problems which they deemed of vital concern. Yet when bitter criticism of the United States came from one direction, an equally intense defense came at once from another. No doubt an American whose attention had not been fixed closely on Latin America would have been surprised, if not pained and shocked, to discover the wide variety and depth of grievances against certain actions of the United States Government as these were expressed. These protests had to do with such vital matters as the Monroe Doctrine, the activities of American Marines in Nicaragua, the effect of the American tariff and of the import duties of Latin-American States on the economic life of those States, the United States-Panama treaty, and inevitably the activities of American financiers in Latin-American republics.

Deep and bitter denunciation of the or-

ganized profiteers of the United States welled up from the peoples of a dozen nations through the labor delegates gathered in Washington. Diplomats who come to Washington represent their Governments, and may or may not represent the peoples. What the diplomats say may as often be determined by policies having nothing to do with the welfare of the people as by what does have to do with that welfare. Thus, through diplomacy, we may not always hear the true voice of the people of those republics which, whether they like it or not, are destined to be permanently, as Woodrow Wilson pointed out to Mexico, a part of the same hemisphere with the United States of America, so often truculently described as "the Colossus of the North" by Latin Americans. Through the labor representatives, who came from twelve nations, Washington and the people of the United States heard more directly from the hearts of the Latin-American peoples than perhaps ever before. But if the people of Latin America spoke out of their hearts through these delegates, talking of oppressions and fears and woes, so also did the heart of the United States speak back to them through the American delegates who, headed by William Green, brought a message of helpfulness, of desire to understand, of unselfish proffer of service, of (to put it in language that labor everywhere understands) solidarity against wrongs, of solidarity for the promotion and protection of liberty, democracy and justice, everywhere. American labor found itself at the Congress in the rôle of defender of American institutions and guarantor of justice by America, admitting her faults where they exist and saying to weaker peoples that her great strength would be exercised in an effort to remedy those faults. This was done with fine dignity, genuine honesty and great frankness.

In the United States there are approximately 5,000,000 wage-earners in well-organized, well-disciplined trade unions, which have a single uniform philosophy and a uniform policy, broken here and there only by minorities which must always exist. The men and women in these unions are uniformly certain of the continuous enjoyment of free speech, free press, free assembly,



free movement, the right to organize, the right to strike and the writ of *habeas corpus*. If there are sporadic and localized denials of some of these rights, that does not alter the general situation.

Now look to the South, where that river called the Rio Grande on one side and the Rio Bravo on the other separates English-speaking America from that enormous expanse which is Latin America. Beyond lies Mexico, from a labor standpoint the most progressive and advanced of all the Latin-American republics. It has a trade union membership of over 2,000,000 in the Confederacion Regional Obrera Mexicana (Mexican Regional Labor Confederation) whose basic labor philosophy and methods have been patterned, through the influence of proximity and frequent intercourse, more largely after those of the labor movement of the United States than has any other in the world. Solidarity, education and discipline have to a large degree been developed in this great Mexican movement, whose leader, Luis N. Morones, drew inspiration and practical knowledge from the venerable and to him affectionate Samuel Gompers and now from William Green. Mexican wage-earners enjoy to a large degree the essential rights and guarantees which I have enumerated, and their organized strength and discipline have reached a point where possible political change could not altogether destroy them, though it is conceivable that they might be modified for a time.

#### SOUTH AMERICAN UNIONS

But go further to the South, beyond Mexico, into the Central-American republics. From the Canal Zone southward there is no such thing as a truly permanent trade union movement that can count on surviving disaster by the sheer weight of its own strength, numbers and discipline. There are trade union movements of considerable strength, but the unfortunate fact is that this strength is more or less transitory in practically every case and can be seriously damaged, if not temporarily destroyed, by political reverse. The Mexican movement, on the other hand, by the reason of a revolution in which it played so vital a part, was able to seize upon a period of friendly and favorable political life to build a movement which could raise wages, shorten hours and improve through adequate laws the state of education among the masses to a point where the organization can stand severe shocks without disintegration.

Every Latin-American republic looks back

upon an age of peonage, of sharp division between upper class and working or serving class, with no middle class. Most of them still look upon practically that condition. This has always meant and still means an all but illiterate, poorly paid, more or less superstitious mass of workers whose ambition is aroused only by persistent effort, or by some powerful and dramatic experience. The flame, as we see every now and then, flickers everywhere; now and then it flares up strong and bright, but all too often it again dies down. I have in mind the case of Nicaragua. Under President Martinez the wage-earning masses organized the Federacion Obrera Nicaraguense (Nicaraguan Labor Federation) and began a furious campaign of organization of industrial workers and agricultural laborers which was encouraged for a time again under Solorzano. But the movement was doomed under the present President, Adolfo Diaz, to such an extent that only a single delegate could come from Nicaragua to the congress in July, while another, who, named from among exiles in this country, because of the opinions he expressed, perhaps cannot now return to Nicaragua so long as Diaz is President, the protection of American marines notwithstanding. Something also went amiss in the case of Venezuela, for the delegates of the Federacion Obrera de Venezuela (Labor Federation of Venezuela) were unable to come to the congress. Chile offers still another example of military government, and there were no labor delegates from that country. On the other hand, Cuban delegates representing the Railroad Brotherhood of Workers of Cuba, the agricultural workers and other trades did attend the convention, notwithstanding the charges of oppression made, and we have grounds for believing that publicity has eased the pressure on trade union organizations, and the delegates from Cuba represented the bona fide organization of workers which continues to function and which offers a point of contact whereby we may extend our proffers of helpfulness and encouragement.

There are bona fide labor organizations in Argentina, Chile, Bolivia, Ecuador and Costa Rica, from all of which labor federations and unions sent messages of approval and support, though they did not send delegates. Unquestionably this was due in some cases at least to lack of funds or governmental disapproval. Argentina, however, presents a curiously mixed state of affairs. There is a strictly trade union movement, represented by the Confederacion Obrera

Argentina (Argentine Labor Confederation), but it is not yet strong enough to dominate the situation. There is a Socialist party, in which at least a large percentage of the members who vote do not really know what constitutes Socialism. To them Socialism means better conditions of life and justice to the workers. Furthermore, Argentina, like Chile and Uruguay, has a Communist movement which "adheres" to the Third International, but it lacks intelligence and is an obstacle to the progress of organized labor. The situation in Argentina, Chile and Uruguay reflects the conflicting condition of the wage-earning masses, indicating that there are causes preventing the workers from taking a genuinely intelligent part in either the political activities or the economic affairs of those great republics.

From Peru there came to the Pan-American Labor Congress two very able representatives of organized federations of labor. It was not at all to their discredit that they attended with the approval of their Government. It happens that the present Government of Peru, unlike the brutal dictatorship on the other side of the Andes, is friendly toward the labor unions, is inclined to respect and even promote labor laws and establish guarantees of freedom and human rights. In these circumstances the Peruvian unions are seizing the opportunity to consolidate their strength.

#### LABOR AND POLITICAL FREEDOM

It is often a matter of wonderment that there is in Latin America so often some kind of connection between growing union labor and the different Governments. But it should be remembered that where there is little or no political freedom there is no freedom to organize unions. To achieve political freedom is then the first task of the workers. The American colonists had to gain political freedom before they could turn to other tasks in the regeneration of their domestic life and relations. Again Nicaragua is an example. Under the long line of Chamorros there was no political freedom, but only a despotism. There were no unions as we know them, but only a few semi-secret friendly societies, always the first form of labor expression under political oppressors. Then, through the accident of death, the progressive, liberty-loving Martinez was pushed into the President's chair. Because there was now political freedom, labor came out of hiding and organized. Thus the whole aspect of life changed with the change in political life.

In surveying the economic or political complexion of the modern labor movement in Latin America, another influence requires understanding. Every labor movement is, in the first instance, a movement of protection and protest. Its earliest voice is usually that of some preceding body of protestants. When the Mexican labor movement first began under the aegis of Madero it spoke through a little band of visionaries who regaled themselves on extremist theories, imagining that the millennium was about to descend upon them, the already ripe fruit of lovely formulae. Happily for Mexican workers those days passed rapidly. Dr. Atl, visionary and dreamer, in those early days, stirred a few souls to emotional heights. Luis Morones today teaches them to obtain higher wages, shorter work days, improved conditions and better homes, more education and greater production.

Labor spokesmen in Latin America in general have drawn heavily from the anarchist and syndicalist teachings of the Latin nations of Europe. It was unfortunate for the Latin races that when Bakunin and Karl Marx broke from each other, the Latin races should have fallen heir to the philosophy of Bakunin, while the Germanic peoples took to themselves the philosophy of Marx. Those who have come under the spell of Bakunin's teachings have in the main been through all the intervening years as if under the spell of an opiate, capable of dreaming, but not of organizing practical trade unions, whereas the Marxian philosophy has not killed labor organization. The leaning toward Bakunin was brought by individuals from Spain, Italy and France. Identity of race, language and temperament must be held responsible for this, although it is language that has been chiefly responsible. Neither the Spanish-speaking peoples nor the Indian races possess any innate characteristics that turn them against practical trade union organization in favor of the highly colored philosophies of anarchism and radical syndicalism. These doctrines have obtained their vogue because they were found in books that were accessible and could be read, and because nearly everywhere the first clamor of protest resorts to color and rhetoric as a means of attracting attention. It is easier to make a vehement speech or to write a flaming proclamation on a basis of anarchistic or communistic philosophy than on a practical trade union program. As the people gain experience in organization and, even more vital, as they gain freedom to act freely and openly, they will abandon

the noisy and colorful philosophies for the more practical and really more genuinely progressive ideas of trade unionism.

In their struggles the workers of the Latin-American nations take advantage of every friendly Government. There is sound wisdom in this course. Governments will make capital out of this also, but they are not to be blamed for that. Progress for the people is, after all, the thing to be desired, and that is what the workers are seeking. They are entitled to what help they can get from Governments that are not too frequently friendly. In reality, however, the masses of the people everywhere in Latin America are striving, economically and politically, for freedom, democracy and justice in the face of great difficulties. With all too many military *cuartelazos* (armed bands) and others to occupy presidential chairs and with Left Wing propaganda being energetically fostered, it is not surprising if peoples to whom organization is comparatively new fumble and make many a false start before setting their feet firmly on the path of constructive progress. Not only is there the old influence of Bakunin and his group, but there is the new influence of Lenin and Moscow.

#### COMMUNISM IN LATIN AMERICA

The Bolshevik influence in South and Central America is strong by reason of individual initiative and, in the case of Socialism, 90 per cent. of those workers who call themselves Communists do not know in the least what Communism is. But this fact does not remove the danger of organized radicalism. There are certain phases of the situation that are as unfortunate for the wage-earning masses as for any other section of society, and that indicate why the helping hand of the Pan-American Federation of Labor is needed. Given a group calling itself Communist, and we have such groups in Latin America, there will be, despite ignorance of the real character of Communism, at least some fidelity in obeying the dictates of the Communist master strategists. Latin Americans are still, in the main, more loyal to leaders than to anything else, for reasons that are to be found in their history. The existence of Communist and other Left Wing groups, however, is highly detrimental, as they give oppressive Governments an excuse, if not a reason, to be even more oppressive. On the ground that they are Communist, the military dictatorship in Chile has been deporting large groups of citizens, including a justice of the Supreme Court, although

it is obvious that all those expelled from the country are not Communists. The presence of an active Communist group provides just the slight pretext required by the dictatorship to get rid of all its opponents without discrimination. Other countries, for a time at least, have followed Chile's example. Trade unions have been penalized as Communist because the activities of a Communist minority provided the opportunity to raise the bogey of Communism. This cry is, of course, only a temporary expedient in the hands of an oppressive Government, but it also serves at least a temporary purpose in checking the growth of constructive trade unionism, and thereby perhaps injuring it to such an extent as to make recovery doubtful or impossible for many years.

Thus it comes about that oppression entrenches itself and is able to increase its power. The result is that when a so-called liberal raises the banner of protest or revolt, the labor movement, such as it is, is induced to join the protesting or revolting liberal. There is no other way to freedom, however long and tortuous it may be. That, in turn, brings the whole Pan-American labor movement more or less to the support of the so-called liberating movement, which may be genuine or not. At any rate, it offers a chance for protest, and even temporary protest is better than none. This is the inevitable course of things for Latin-American labor, as was seen in the support that American labor gave successively to Madero, Carranza, Obregon and Calles in Mexico. They challenged and defeated the whole system personified by the aged and tyrannical Porfirio Diaz. The outstanding protest against that tyranny, when supported by the Mexican workers, had to be supported by every other libertarian force. This is a revealing light on future developments in Latin-America wherever dictatorships and military *cuartelazos* persist in the face of the growing world movement toward democracy, liberty and justice.

By this I do not mean that the rôle of the Latin-American labor movements and of the Pan-American Federation of Labor is one of support for revolutionary movements. That is neither our historic mission nor our line of strategy. But it may and no doubt will prove to be in the future as it has been in the past, a strategic necessity. The aims of the Pan-American labor movement, as represented by the Pan-American Federation of Labor, are to encourage organization along pure trade union lines among all the workers of this hemisphere,



to bring those workers together in national federations, and then to create a great international organization for the promotion of mutual understanding and advancement.

#### SIGNIFICANCE OF PAN-AMERICAN UNIONS

A little band of men trying to form and hold together a union in Montevideo or Santiago or in Paraguay may seem a matter of small moment to the American reading his daily paper over his morning coffee. But bring that little union into the same picture linked with great numbers of other unions in New York, Chicago, San Francisco and Washington through the Pan-American Federation of Labor and it is not difficult to understand the meaning it has for the American concept of liberty, citizenship, democracy and ordered human progress. Ours is the task of promoters of understanding and lovers of liberty. To a large extent our labor movement is a missionary movement. As William Green says, we ask nothing from the people of any country and we seek to force nothing upon them. We offer help which is to be accepted only by the free decision of those to whom we go. The labor movements of twelve nations—Cuba, Nicaragua, Peru, El Salvador, Mexico, United States, Guatemala, the Dominican Republic, Colombia, Honduras, Panama and Venezuela—sent their delegates to grasp this friendly hand and to sit at the same council table to exchange views, to present complaints and to ask redress, to understand and to be understood. Five other nations—Argentina, Bolivia, Chile, Costa Rica and Ecuador—have adhered to our goal. Porto Rico had a direct representation. The delegates from Haiti were prevented, according to their report, from leaving their country. They were arrested.

The Latin-American labor movement is one of the most significant and important movements in the world today. It has a statesmanship to offer which is of inestimable potential value. In the world of the future, international relationships must be more and more based on understanding and good-will among peoples. Our primary purpose—and our notable achievement—is in that direction first of all.

The practical task of the Pan-American Federation of Labor is to construct national trade unions and federations throughout Latin America on the basis, as much as possible, of the similar movements in the United States and Mexico, not because of anything inherently superior in American

or Mexican trade unionism, but because it presents the best actual development of practical instrumentalities for the development of fine citizenship, protection for the workers and structural qualities that make for permanence. "Our union is celebrating its seventy-fifth anniversary," one of the United States delegates announced at our recent Congress. Nothing like that tenure of life is known in Latin America. That permanency comes from being grounded on right principles and being guided by right policies. That is why we must aim to help in the creation of national unions in Latin America on the American pattern, as the Mexican workers have done. Our aim is not to Americanize but to bring into existence a freedom that is common to the aspirations of all peoples, a democracy that is common to the aspirations of all peoples in this hemisphere.

Thus far Latin Americans have heard much about American materialism, American iniquity, but little about American idealism and democracy. There are causes for this. Demagogues thrive on stories of foreign oppression and foreign greed. Illiteracy drinks in these demagogic utterances, for inter-communication between the peoples is not at all adequate, and the newspapers are not the channels of information they should be. Under such conditions truth often has difficulty in overtaking fiction. If, therefore, our primary purpose is to help in the creation of unions and the federation of these into an international movement, with absolute national autonomy, our other great purpose is to carry a message about the soul of America, that intangible thing which is in the being of our great people and our country and which has never yet failed to respond to the cry for help or the call for friendship when it understood.

Latin Americans—the masses of the people—crave freedom and progress. To gain the understanding of the people of the United States and the benefit of their experience and guidance in satisfying that craving, cannot but be of untold worth to this country. In other words, the Pan-American Federation of Labor is no less valuable to the United States, with its vast material wealth, its splendid traditions and ideals and its monumental strength, than to the struggling, groping, striving masses of Latin America, so many of whom still writhe in the shackles of feudalism and serfdom in a primitive agricultural society that has little regard for humanity and that gives little thought to human freedom where working people are concerned.

# Latin America Evolving a Distinctive Civilization

By ERNESTO MONTENEGRO

EDITOR OF *Chile*, NEW YORK CITY

THE Spaniard did not build upon the massive monuments of an ancient culture which he found in the valleys of Mexico and Peru, unless it was, as in Cuzco, by crowning them with the alien Christian Church. By banishing the Inca and Aztec dynasties, by dispersing the aboriginal peoples and antagonizing their civic and religious life, the conqueror checked the possibility of grafting Spanish civilization on the remnants of an Indian culture they could or would not understand. This vital experiment is being attempted only now in Mexico and Peru.

There are at least some tactical reasons in extenuation of the ruthlessness of the Spanish conqueror, the main one being an utter disproportion between the means at his disposal and the aims of his enterprise. Cruelty is often but the easiest escape from fear, and so the Spaniard, only a handful amid the innumerable cohorts of the Indian empires, resorted to terror to save himself from being smothered by mere numbers. Instead of camping by the shore as the American colonist did later on, and cautiously feeling his way inland, the Spaniard struck at the head of the native people, and forthwith the body of a whole nation, steeped in the divine authority of its ruler, lay at his feet lifeless.

Yet the sword was only one of the two main agents of the Spanish conquest. Walking by the side of every captain we find the hooded Franciscan or Dominican priest, not always forgetful of his humane calling, as in the case of Atahualpa and Gautemoc. Civilization in its barest form, but civilization just the same, came to our shores under the sign of the cross. From the sierras of Upper California down to Paraguay, lying between its two great rivers, the gray missionary of St. Francis or the black crusader of Loyola thrust himself between the Spaniard and the Indian. Consequently, if civilization is the spreading of the seed of culture through the gentle means of example and teaching, then the priest was surely the first progressive force

in the New World; if conquest is the final submission of the spirit of a people through persuasion rather than violence, the friar was the one who performed the miracle of gaining millions of square miles of wilderness and millions of subjects for his Catholic Majesty the King of Spain. By the time of the independence of Latin America this spiritual conquest was so firmly established that some of the sturdiest defenders of the monarchy were to be found among the creole and even the Indian subjects.

This influence, however, can be considered only as the initial step in the sweep of progress through the land that was to be called Latin America. Quite soon, as in the case of the successors of Junipero Serra in the Southwest, the zeal of the priest relapsed into indolence, when it did not abet the civilian in the exploitation of the Indian. Often men like Padre Las Casas in Central America or Bishop Santibañez in South America stood heroically for the rights of the oppressed, carrying their complaints to the very foot of the throne, but, with the temporary exception of Paraguay, the rule was that Indian *Encomiendas*, or colonial peonage, and later the institution of African slavery were made holy by the preacher.

To spread over a field of ten million square miles Spanish civilization had no other means at its disposal than the horse—and the ox-cart. As big as Africa and not less forbidding in topography and climate, South America did not, however, await the advent of the twentieth century to adopt the cultural standards of Europe. We have in Latin America, as in Africa, the same problem of distances. Exhausting heat and fevers follow there, too, on the trail of the pioneer. Nevertheless, by following up the current of the great rivers, the Spanish conqueror cut into the heart of South America. First he let loose the cattle and the horse; later on he caught up with them, still pushed onward, tamed the steed and the bull, put fire to the undying forest and always surrounded by the steam-

ing presence of the jungle he traced over the black stumps that first elemental spelling of culture with his wooden plow.

In this way the Spanish settler reached the fastnesses of the South American continent; eastward from Chile into the Argentine hinterland, over 15,000 feet of ice and rock; up the Paraná into Paraguay; over the Sierras from Peru into the bleak tableland of Bolivia, and so everywhere, with the Portuguese *bandeirantes* toward the huge Brazilian *matto* (jungle), as well as in the forests and savannahs of Colombia and Venezuela, the steep valleys and malarial swamps of Central America and the sandy reaches of Southern Mexico. It was a mere trickling of European blood into an ocean of Indian life. Distance measured by the thousands of miles, broad, swift rivers and withal a bountiful soil conspired as one against the existence of that most efficient agent of civilization, the city.

It was an uphill fight, that of the men who undertook the task of subduing our own wild West in order to create the city in its midst, and this statement applies to all the pioneers of Latin America. A nomadic life had by then taken hold of the sparse settlers of Latin America; a race of beef-eaters spread over the *pampas* and *llanos*, they let nature take its course and multiply them, while they slew a cow or a sheep for a choice bit and left the rest to the beast and the vulture. The Spanish soldier had met the roaming squaw and struck a happy-go-lucky *mésalliance*. The one coming from a still medieval corner of Europe, the other utterly unschooled in social life, together resisted as long as they could that movement for the concentration into towns which must be construed as the real objective embodied in the aphorism of the Argentine statesman Alberdi when he called the problem of New World statesmanship one of colonization.

As long as the leaders of progress had no other means of travel than the horse, which also served the *gaucho* and the *llanero*, that vital problem of making a nation out of the disjointed creole masses only shifted its factors southward or inland. Time and space were the main barriers. From Buenos Aires up to its Andean provinces a cart journey of six weary months intervened until the advent of the steam engine. The Brazilian territories of Matto Grosso and Goyaz, over 2,000,000 square miles in extent, could count no more than half a million population in all until some fifty years ago. From the upper reaches

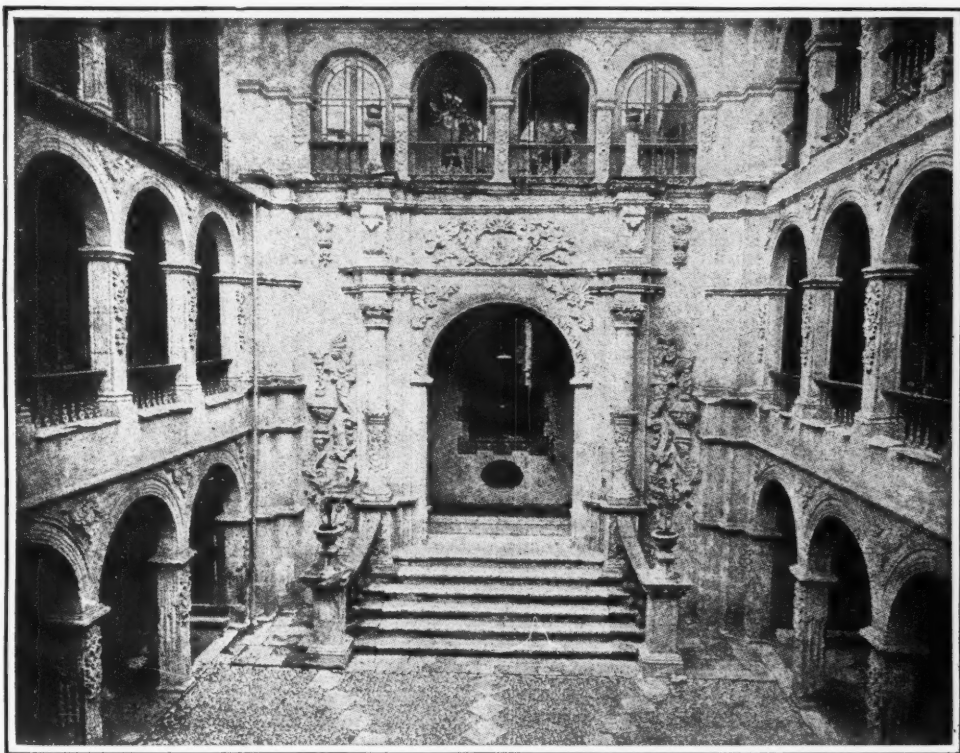
of the Amazon in northern Peru the European settler would go to London for a renewal of supplies, rather than attempt the land march of three months' time to the country's capital.

For the sake of contrast let us here consider what Latin-America has gained in respect to transportation and communications generally since the "iron horse" started its first run in the Atacama desert of Chile, some seventy years ago. Bogotá, the highland capital of Colombia, which until 1915 was still eight to ten days distant by river steamer from the Atlantic coast, has reduced the journey today to as many hours via the aeroplane passenger and mail service from Barranquilla. Iquitos, 2,500 miles by water from the highway of the Atlantic, its sea outlet, now receives the news of the world, closes its commercial transactions and enjoys social and artistic entertainment through its high-powered radio station. The world traveler can go today in little more than two weeks to Valparaíso or Buenos Aires and reach either coast of South America across the Andes in twenty-four hours by Pullman express, or may attain the 18,000 feet of altitude on which the capital of Bolivia stands by the twenty-hour rail route of Arica, or by the way of Lake Titicaca, where oil-burning steamers cross the path of the thatch-sailed junks of the native.

That the miner was the decisive influence in Latin-American progress is a fact that has been seldom emphasized. Whatever devastating effects the untold riches of the New World may have brought to Mother Spain, the miner himself was truly a civilizing element in the Latin-American community. As against the individualistic, shiftless life of the herdsman, the miner's life was one of social activity. Whereas the *gaucho*, like the Bedouin, had only a minimum of home life, the miner had to concentrate on a very limited pocket of land, where he always found other men engaged in the same highly competitive occupation. His success brought other settlers to the spot, the merchant, the showman and soon the gambler and other less desirable colonists.

Here the inner worth of the miner shone brighter than his failings. A true bohemian and adventurer, he brought with him to the camp, which even thus early became the site of a mushroom city, a sense of social pride, of display, even of relative refinement. Thus, by the side of the barbarous opulence of the silver bonanza of





A courtyard, La Paz, Bolivia

Potosi in colonial Bolivia, where whole altars and devout images were made of the pure metal and where the order of chivalry, with its jousts and tournaments, had a temporary revival, we find the intense cultural life of the Lima of the eighteenth century, while in the remote Brazilian city of Minas the colonial miner was building palaces and churches, theatres and museums to the greater glory of a newly founded civilization.

Characteristically enough, the billions in gold and silver bars taken out of Latin-America have left no more durable traces than the funereal pile of the Escorial, the barocco churches and cloistered palaces of the Hispanic world. There was only one exception, and a striking one, to the otherwise exclusive rôle played by mineral wealth in developing civilization in Latin-America and that was to be found in that pastoral, communistic theocracy of the Jesuit settlements of Paraguay. This is explained by the fact that the Church organization and the Indian character fitted very well into each other for the time being. The Indian did not know the use

of money and was accustomed to obey an authority in whose choice he had had no part and to share in common the product of his labors. The Jesuit priests gathered the Guarany tribes into communal camps, taught them to build homes, to wear clothes, to secure two crops a year from the soil and to make the most necessary implements of industry and the domestic arts. By 1770, a little before Charles III gave the order for the simultaneous banishment of the company from all the Spanish colonies, more than 100,000 Indians lived peacefully under a régime in which all things, from the local authority of the mayor and the magistrate to the private acts of the individual, were minutely controlled by the priests. As was to happen later in other instances of one-man rule in Latin-America, the absence or the downfall of the master marked for the Paraguayan settlement the collapse of the entire system. Only a few years after the Jesuits' departure the settlements centred around the town of St. Ignacio were falling back into their primitive ways, the civil authorities showing once more their customary neglect and lack

of comprehension of the Indian problem and tropical nature began to push its growth through the cracks of church and mill.

The high spots of Latin-American civilization can be found, with very few exceptions, in the temperate zones of the south or on the high and equally temperate plateaux of tropical Latin-America. The Brazilian *bandeirante*, the forerunner of the American pioneer by two centuries, left the torrid lowlands of the Atlantic coast for the open spaces of the Sertoes, even though by so doing he was losing contact with the civilized world and being thrown more and more upon his own resources. The desire for protection against the raids of pirates and corsairs may have had weight in determining the location of most of the Latin-American capitals inland, but it is just as evident that coupled with that was the desire to find a more healthy, exhilarating climate. This explains to a great extent, I believe, the exclusive character of Latin-American colonial culture and the rapid stride of the great cities as contrasted with the backwardness of rural population. By 1700 social life in Mexico City and other neighboring centres had reached a maturity and refinement of which there are still abundant proofs everywhere; the cultural and especially the literary life of Bogotá emulated that of the metropolis, while Quito's paintings furnished with sacred images and copies of the masters all the rest of Latin-America. Colonial Lima shone amid the torpor of Indian life as the living embodiment of the lighter joys of living, the flash of wit, the picturesque display of a semi-regal court.

To the enervating influences of climate in retarding a more general progress of tropical Latin-America must be added the admixture of negro blood to the Indian stock. As to the first, even Europe has to reckon with the deterioration of the white man in its tropical colonies all over the world. As to the second, nobody can deny the first confusing, conflicting impulses of race miscegenation, even if we stand ready to admit that the negro has been the most effective help the white man has found whenever climate was against continued physical exertion, whether it be in cutting the Panama Canal, in tending rubber plantations in the Maranhao basin or in planting coffee and sugar cane further north. In a political way, it is nevertheless evident that alien blood is making of the formation of a homogeneous spirit within the Latin-American nations a slow, disconcerting process. Yet, as Dr. Oliveira Lima remarks,

the solution dictated by love may be more apt in the end to bring happy results than the solution imposed by force or the mere ignoring of the racial problem.

The three countries at the furthest tip of South America—Argentina, Uruguay and Chile—escaped almost entirely the adverse conditions of extreme climate and racial heterogeneity. Swept by the winds from the Antarctic, these lands enjoy a bracing, sunny climate. Their soil is responsive enough to steady culture, but yields little otherwise, thus making of work a compulsory habit. The Indian was never an influential factor in the life of these three countries and while now entering more and more into the sphere of national activities, he has remained either set against or under the Spanish creole. In such wise these countries were enabled to attain the highest, most uniform progress among the whole group of Latin-American republics. In a rough characterization, Argentina has reached the largest material development, Uruguay the most advanced social status and Chile seems to have regained its proverbial political steadiness.

#### MATERIAL AND SPIRITUAL CONTRIBUTIONS

I come now to what amounts to the core of this survey. First of all, if we were to put forward merely a claim for the significance of Latin-America's contribution to the material improvement of the world, to what it has to offer to the sum total of modern progress, we could most assuredly claim a position in the front rank. Latin-America is today the granary and promises to be the reserve of staple food for mankind. Argentina, together with the United States and Canada, helped Europe to recover from her post-war weakness. From corn culture to wheat culture and from this to diversified crops, with the coffee, the cocoa, the banana, the sugar cane, the *yerba mate*, Latin-America stands ready to face the increasing population of the world and to receive the overflow. The nitrate and copper of Chile, the silver and guano of Peru, the tin of Bolivia, the gushing wells of mineral oil from Patagonia to Mexico, are steadily enlarging our contribution to world progress.

But there are still higher forms of contributing to modern civilization in which Latin-America begins to count more effectively every day. From the time when the first university was opened in Lima, only a score of years after the actual occupation of Peru; after the first printing press reached Mexico City in 1538, a number of

our people have taken more eagerly and with much more zest to the pursuit of spiritual, disinterested culture than to the ways of material progress and physical comfort. No doubt the impress upon our nature of the rude habits of the soldier and the self-denial of the friar had a good deal to do with that. Still partaking of the restricted character of European culture, learning attained in Latin-America the piquant flavor of a heresy, even of a luxury, whenever it stole out of the cloister, its divinely appointed habitat. So the scholars of the Independence movement, the Argentine Moreno, the Venezuelans Nariño and Miranda, the Colombian Caldas and the learned monks who founded astronomical observatories, literary and debating societies, libraries and medical schools, appeared over the low level of the general culture of their time on an eminence which only historical perspective can explain.

#### CREATIVE LATIN AMERICANS

It would be a vain boast to call Latin-America's contribution to civilization a creative one so far, although a single country, Brazil, can show in the names of Antonio-Carlos Gomes, Santos Dumont and Dr. Oswaldo Cruz, respectively a composer, an inventor and a scientist, men whose work has gained for them a truly world renown. Some of our painters and sculptors have carried away prizes in competition with Europeans. We might add names such as Ameghino, the Argentine paleontologist; Colonel Rondon of Brazil and General Rafael Reyes of Colombia, the explorers; Dr. Manuel Gamio, the Mexican anthropologist; the Chilean internationalist, Alejandro Alvarez, and many other Latin Americans who have had an active part in the development of scientific knowledge. But we feel that we would serve better our purpose by showing the general trend rather than individual attainment in Latin-American progress.

There is, however, the world of letters, where the performances of Latin Americans in the Spanish and Portuguese tongues have rivaled those of their natural rivals in the mother countries. Men such as the Argentine Sarmiento, the Ecuadorian Montalvo, the Dominican Hostos; M. A. Caro, the Colombian; Lastarria of Chile; Alfredo de Carvalho and Euclides da Cunha of Brazil; Rodó of Uruguay, the late Prado y Ugarteche and Ricardo Palma of Peru, Nervo of Mexico, Martí of Cuba and Rubén Darío of Nicaragua, have added in their

various ways to the common inheritance of ideals and of beauty, that is, to social and spiritual achievement.

Our progress has from the beginning been an affair of the State, to which individuals furnished only the initial impulse by setting the Republic free from its European master. Since then public education has been mainly in the hand of the Government. Our greatest statesmen, our most effective thinkers have been schoolmasters. The Government has guaranteed the capital whenever foreign enterprise has built railroads, port works, sewerage or water systems for our cities. With State funds we have explored and mapped out land and sea, established a meteorological service, policed our land and reached almost every field of human endeavor. As a rule, the individual is not yet rich enough nor spirited enough to share to a great extent in the burdens of the community. But the main difference lies in the fact that class-conscious Latin America has not yet been able to show the material improvement of all classes of the population that one finds in the United States.

#### LATIN-AMERICAN CULTURE

In respect to culture *per se*, on the other hand, it should be said in strict justice that Latin-American culture in the individual embraces a wider scope of scientific or artistic knowledge, a greater bent for languages and a livelier curiosity and interest in world affairs, so that the word culture as applied to the individual Latin American should be construed in the broadest meaning the term implies. Culture is now seeping down through the lower strata of Latin-American society. We are, however, beginning to shun that strong tendency to crowd into the law school, which early menaced us with becoming the counterpart of "intellectually proletarian" Europe, and we are not duplicating that social phenomenon of a nearly illiterate class dressed in silk and furs already obtaining in the United States.

Our tendency to universalism and an overdeveloped critical faculty notwithstanding, we have entered upon an era of broadening general culture and economic readjustment. The national spirit is beginning to assert itself everywhere in Latin America. Our own architects now build our homes and public buildings, our own engineers plan our bridges and railroad routes and we are now about to come into full possession of our own for the benefit of all.



# The Latin-American Spirit in Literature

By ISAAC GOLDBERG

AUTHOR OF *Studies in Spanish-American Literature*,  
*Brazilian Literature* AND OTHER WORKS

IT is a famous essay by the melodious Uruguayan stylist, José Enrique Rodó, that has helped to keep alive in Spanish America the vision of the Latin spirit as an Ariel and of the North American spirit as a Caliban. Rodó, intrepid traveler of the mind, but chained until shortly before the close of his life to his native shores, was fairer than the symbols that he made so popular. Like so much error, they contained a generous kernel of truth, and although since his day there has been a marked reaction against the liberal spirituality of his teachings, he still has something to say to the nations on either side of the Rio Grande. The heir to Bolívar's dreams of a united Spanish America, a *Magna Patria*, he feared that modern life would clip the wings of these peoples and fill them with that materialism which passes among them as the hallmark of civilization in the United States.

To dismiss as a bogey the fears of South America, crystallized today in the writings and activities of Manuel Ugarte, is to invite merited ridicule. The young spirits of these nations, for all their excessive devotion to poetry, have a natural bias for history, and they know better the story of our relations with them than our cultured youth know the tale of their relations with us. Let us not close our eyes. In many corners of South America the United States, when not hated, is sorely mistrusted. We look down upon them, at worst, as filthy boors, and it is not so long since they were the regulation villains of our moving-picture dramas; they look back at us as predatory dollar-chasers with fingers dripping in blood and oil. It is not a pretty picture through which to examine culture; but the culture is there.

Before any rapprochement can be made between the Southern and Northern spirits the Ariel-Caliban fallacy must be destroyed. Whatever may be true in the mysterious realms of international diplomacy, this much is true in the world that Rodó left too soon; there is in South America ram-

pant materialism, just as in the United States there is lofty idealism. In South America the reaction against Rodó and what he stood for took a materialistic trend, and found its focus, indeed, in his own little Uruguay. In our country the reaction is just as naturally idealistic. The South American, as the weaker party and the one with most to lose in the event of hostilities, may be pardoned for a certain touchiness. Our own cultural leaders, on the other hand, are hardly to be forgiven for an easy assumption of superiority, especially when so many of them, as I can testify from personal experience, do not know even the language of our Southern neighbors, and are, furthermore, ignorant of the linguistic distinction between Brazil and the rest of South America. Brazil speaks Portuguese, which on the printed page is deceptively like Spanish, but which in speech is distressingly different. And when you call a Cuban or a Colombian a Spaniard he is no more complimented than if you were to call a Texan or a Kansan an Englishman.

The tightening of sympathetic bonds between Spain and her former colonies is not a reversion to dependency; it is a recognition of ancestral influence. It was to be expected that early Spanish America would derive its first inspiration from the mother country, just as early Brazil was a spiritual extension of Portugal. It was part of the European tradition, too, that behind both these homeland influences should be France, which so often has been the second fatherland of the artist. Later, the imprint of Germany, especially in Brazil, and of the United States was to make itself felt, and, last of all, in its full strength was to come a movement of intellectual independence that should match the economic liberation.

The culture of South America is older than our own. The University of Mexico and that of San Marcos, Lima, were each authorized by Carlos V in 1551. In Mexico as early as 1539 was printed the first book on the continent. Mexico, indeed, from the earliest colonial days, shows a spirit of

constant innovation. Whether in the economic or the spiritual field, the country has been in the van since the days of the Conquest. A recent biographer of Thomas Paine, discussing the pioneer accomplishments of that sterling fighter, writes that "the first lance broken on this continent in the cause of feminism was probably his *Occasional Letter on the Female Sex*." But the seventeenth century produced in Mexico a remarkable woman who lays less disputed claim to that honor. She was none other than Sor Juana Inés de la Cruz, first student of folklore and pioneer in education for women. Her poem, *Arraignment of the Men*, is as modern as Paine's *Occasional Letter*:

Males perverse, schooled to condemn  
Women by your witless laws,  
Though forsooth you are prime cause  
Of that which you blame in them. . . .

#### BRILLIANT WOMAN POETS

The Cuban, Gertrudis Gómez de Avellaneda, generally regarded as first in rank of South American ladies, belongs in literature to Spain, where her novel, *Sab*, is considered the *Uncle Tom's Cabin* of its day. Brazil has produced a number of lady poets, the finest, in my opinion, being Francisca Julia da Silva, a parnassian spirit of rare beauty. There is, scattered over the rest of the continent, a choir of highly individualized singers—now a civic force like the Dominican, Salomé Ureña, now such a passionate continuator as the woman who writes in Puerto Rico under the pseudonym *La Hija del Caribe* (The Daughter of the Caribbees), again the Sapphic abandon of Alfonsina Storni (Argentina), the domestic charm of María Enriqueta, the pallid polish of Juana de Ibarbourou (Uruguay) and in recent days, most important of all, Gabriela Mistral (Lucila Godoy) of Chile. Mistral writes with an intense blend of social dedication and apostolic devotion. Her volume, *Desolación*, published here to signalize her recent visit to America, is a haunting document of lost happiness and solace found in service to humanity.

South American culture follows, more or less closely, the era of colonization, the achievement of autonomy and the entrance into the currents of the larger world. It has thus its classic, its romantic and its modernist phases. From the first it shows, as it should have been expected to show, the evidences of contact with the new home; the language undergoes subtle modifications of accent and vocabulary; a feeling for the soil is developed, and there are not lacking rhapsodists who foreshadow the nationalis-

tic fervors of the emancipation. Poetry, for long, is in the ascendant; poetry, in fact, is the chief literary output of Spanish and Portuguese America. The novel and especially the play have, as forms, languished for decades. But a single name stands out in modern drama, that of Florencio Sánchez, the vagrant soul who divided his time between the shores of Montevideo and Buenos Aires. There is nothing of the closet dramatist in Sánchez; in more than one respect he is akin to Eugene O'Neill. His plays are the product of a hectic life confronted with problems that life left him no time to solve. They are telegraphic in style, but the click of the key is also the pulse of his blood. He stands almost alone on the continent.

The South American novel is hardly in better case. There are outstanding achievements, of course, but it is a form that requires more concentration of purpose than a lyric, and hence is not often conquered as a work of art. *Maria*, by the Colombian Jorge Isaacs, has long been widely used as a textbook in our Spanish courses. *Innocencia*, by Taunay, and *Chanaan*, by Graça Aranha, are important not only for their historic influence, but for their insight into the Brazilian mentality at two epochs during which it was effecting a blend with the foreigner. *Chanaan*, called by Ferrero in a moment of enthusiasm, "the great American novel," is in reality a vision of the melting pot as it affected Brazil, "the United States of the South." In Manuel Gálvez, Argentina boasts its own Upton Sinclair, as in Hugo Wast it claims a steady best seller. Chile has given us a number of writers who have done excellent work in the short story—Lillo, Barrios. Chile, in fact, is among the more sober, less "Latin" of the nations. It is the home of Armando Donoso, one of the few good living critics of the continent, and also Pedro Prado, a rarely sensitive nature who should be better known in the United States.

#### EMINENCE IN POETRY

It is in poetry, however, that the continental tradition best exemplifies itself. Andrés Bello, Olmedo, Andrade, Heredia—these must stand for the highest accomplishment before the *modernistas* introduced their widespread reforms. To Bello, indeed, we owe the standard grammar of the Spanish language. He is among the greatest scholars of the continent. With the publication in 1888 of *Azul*, that modest collection of prose and poetry by Rubén

Darío, there was inaugurated an impulse of renewal that was to sweep over the mother country and effect ultimately a thorough reorientation in literature. Darío was not alone in the deed, and a number of nations, not without reason, claim precursors among their native sons. Mexico, with Díaz Mirón and Gutiérrez-Nájera; Colombia, with José Asunción Silva, a tragic figure whose lyrics have a poignant appeal; Cuba, with José Martí and Julián del Casal; these share the honors with humble Nicaragua and her Rubén Darío, greatest of Spanish-American poets. From France and her symbolist-decadent experimenters came the primary influence, which, considered historically, was the irruption of modern European and even American thought into the cloistered precincts of the restricted Southern mentality. Poe entered the spiritual life of Brazil and her Spanish sister republics through France, as Whitman did. Cooper, Hawthorne, Longfellow, these were known, of course, and occasionally in the original. Politically, the ode of Darío *To Roosevelt* represented the growing distrust of the United States, just as Nervo, in his *Epitalamio*, had voiced a better understanding with the mother country.

#### RUBEN DARIO'S WORK

Darío was the spiritual ambassador of the Spanish-American peoples. *Azul*, titled after the infinite promise of the magic color, blue, had cast off forever the trammels of academic prose. Darío's *Prosas Profanas*, 1896, hailed by Rodó, consolidated in poetry a corresponding leadership that was assured historically by the succeeding volumes, *Cantos de Vida y Esperanza* (1905) and *El canto errante* (1907). Darío, wanderer in the flesh, was a wanderer his life long, in the spirit, swaying between paganism and piety in a human conflict that gives to his works the throb of life truly lived. For the mother country he dramatized the republic's cultural coming-of-age. From 1888 to the end of the century there was a veritable rebirth of lyric poetry. In Spain itself this is the historic moment of the so-called "Generation of '98," when the windows of a sequestered nation are opened to all the winds that blow through a liberated Europe. In Spanish America gifted singers appear in every nation. Mexico, with Amado Nervo and Enrique González Martínez, continues her noble tradition of cultural leadership.

Intellectual eminence in South America has by no means followed economic suprem-

acy. It is tiny Nicaragua that gives us Rubén Darío; it is tiny Uruguay that gives us Rodó, Reyes and Sánchez; it is unfortunate Peru that rears Eguren and José Santos Chocano; it is unhappy Venezuela that glories in Manuel Díaz Rodríguez, exquisite essayist and novelist, and in that fighting expatriate, R. Blanco Fombona, poet, historian, propagandist, publisher, diplomat, swashbuckler and spinner of tales.

#### BRAZILIAN LITERATURE

Brazil, of course, would need a book by itself. Its general history from colonization to independence runs fairly parallel with that of the Spanish-American nations. It is in the Romantic period (1830-1870) that new currents appear, but the last three decades of the nineteenth century introduced a critical reaction against romantic expansiveness, and outwardly the development of Brazilian letters seemed to follow the lines of French "isms." Machado de Assis, one of the finest prose writers of the period, and first President of the Brazilian Academy, may surely pass as a younger brother of Anatole France; Alvaro Bilac, voluptuous dandy and social conscience, is reckoned by Brazilians the "prince of poets." José Verissimo, their contemporary and critic, stands among the keenest—and, incidentally, most honest—intelligences that the continent has produced. Of living figures, the cosmopolitan, Oliveira Lima, dedicated chiefly to diplomacy and history, now settled in the United States, combines the aristocracy of the old régime with an admirable hospitality to the new. Today there is a marked reaction against the domination of French esthetics. The leader of this movement "back to the land" is Monteiro Lobato, publisher, publicist and author of numerous collections of articles, short stories and fables. He is the apostle—and he has many disciples—of what we may call "literary Brazilianism."

This is directly related to the latest of the definite impulses in Spanish America, a new nativism, or, as it has been called, "literary Americanism." It has assumed crude forms, but it has also attested the sources of a new vitality. A number of brilliant spirits has arisen, many of them imbued with a humane, international outlook, directing publishing houses, editing important reviews, ridiculing the ancient rhetoric that masked a romantic inertia. Yet, on the other hand, between the lofty aspirations of an educated few, and the rampant illiteracy, the economic degradation of the many, grins a cynical incongruity.



# The Latest Research in X-Ray Treatment

By WATSON DAVIS

MANAGING EDITOR, SCIENCE SERVICE, WASHINGTON

WHEN Roentgen discovered the rays which he called X-rays and which some still call Roentgen rays the world did not take long to find how useful they were. In partnership with the fluoroscope, or the photographic plates, X-rays allow us to see the interior of bodies and objects opaque to ordinary unaided eyes. Even the plumber nowadays uses a portable X-ray outfit to locate the hidden pipes he has to repair. In medicine, besides allowing the inspection of bones and other parts of our interior anatomy, the X-rays have proved effective in the treatment of cancer, skin diseases and other maladies. Yet evil as well as good lurks within these penetrating rays. Many of the earlier experimenters with the new radiation were seriously, even fatally, injured. It is now realized that heavy sheets of lead must be used to protect those who work with X-ray machines, and precautions are taken to confine the radiation to the place that it is desired to treat.

The latest research indicates that the perils and the benefits of X-rays are not yet exhausted. Experiments made by Professor H. J. Muller of the University of Texas on tiny fruit flies, if they hold true for other living things, provide one of the most sensational paradoxes of science. X-ray treatments of certain types may be laying a terrible curse on the descendants of patients now receiving them. Horrible defects and malformation may be visited upon their children far beyond the scriptural third and fourth generations. When applied to agriculture, however, the same kind of X-ray treatments can speed up a hundred-fold the rate of the controlled evolutionary processes used by breeders to produce improved kinds of animals and plants. It has been proved in Professor Muller's experiments that in the germ cells of the flies X-rays affect the little particles responsible for heredity in much the same way as a shotgun fired at a pile of pebbles would affect the pebbles. The heredity particles become perma-

nently transformed in all sorts of unexpected ways and the sudden changes known as "mutations" are produced in them. Not all of them mutate at once, but here one, there another, changing in quite random fashion. Sometimes also they are dislodged into new arrangements. Since these hereditary particles, known as "genes," are handed down from parent to offspring, and determine the characteristics of the next and later generations, all kinds of new traits are likely to arise among a group of offspring or grand-offspring from parents that were treated with X-rays. These new traits are permanent, as they are inherited by succeeding generations.

It has long been known that such mutations occasionally happen without X-ray treatment, and so give the breeder a chance to improve his stock by breeding from animals that have desirable mutations. In the same way in nature, the "survival of the fittest" mutations are thought to have brought about evolution. But the mutations that happen without X-ray treatment are exceedingly rare, and it has never previously been found possible to make them occur often. That is why animal and plant improvement has been so slow, and why it has been necessary to raise countless thousands of ordinary individuals for each advantageous mutation that has turned up. But all this will be changed if mutations can be produced at will. It will be possible for the production of new plant and animal varieties to go as far forward in ten years as it formerly did in a century. Nevertheless, mutations, whether produced by nature or by X-rays, are more often bad than good. The plant or animal breeder simply throws away a hundred bad new varieties and keeps one that is good.

It is here that Dr. Muller sounds his warning as regards human beings. We do not make a habit of throwing away undesirable babies, and anything that might tend to produce a crop of unfortunate human freaks or cripples should be used on

human beings with extreme caution. This does not mean, he emphasizes, that all X-ray examinations or treatments are dangerous, but only those in which the reproductive organs undergo prolonged or intense exposure. X-ray treatments applied for the purpose of deliberately producing temporary sterility are particularly frowned upon. Five years ago, at the London meeting of the Birth Control Congress, Dr. C. C. Little, then of the Department of Genetics of the Carnegie Institution at Washington and now President of the University of Michigan, characterized the practice as "little short of a calamity." At that time Dr. Little described experiments of his own on rats which had been subjected to this treatment. Their subsequent offspring appeared to be normal, but the third and following generations were marred by the frequent occurrence of repulsive physical defects and deformities.

Important as the possible human and practical consequences of his study may be, Dr. Muller states that the work so far constitutes only a beginning of the possibilities that lie along this line. To scientists the most interesting aspect of the work will probably be the insight which it may give us into the causes of evolution and into the nature of the genes themselves.

#### ACCELERATED PLANT GROWTH

At the Boyce Thompson Institute for Plant Research near New York City scientists have recently harvested Spring wheat thirty-five days after sowing, caused red clover to flower thirty-eight days after seeding and have grown large heads of lettuce in three weeks. Artificial illumination, in some cases for twenty-four hours a day, high temperature, and increased amounts of carbon dioxide in the atmosphere, have been used to bring about this accelerated growth. The experiments were made in an effort to learn how plant processes may be made more efficient. Photosynthesis, the scientist's name for the method by which light causes substances to combine, makes plant growth possible. In nature it is a very inefficient operation. Only about 1 per cent. of the energy that falls on the plant is utilized.

"An unusual opportunity for the efficiency expert!" says Dr. John M. Arthur of the institute. "If only a few tenths of 1 per cent. could be added to the efficiency of photosynthesis, an enormous increase would be available in total energy fixed when applied to nature's vast quantity production. Over 100 years ago de Saussure showed

that green plants not only use the small amount of carbon dioxide normally in air, but can use more when available. These facts indicate a means of increasing the efficiency; yet no application was made until the recent World War. Then, under pressure of food shortage in Germany, processes were perfected by Riedel and others for scrubbing gases from combustion of coal, coke and charcoal to produce carbon dioxide. The gas was piped into greenhouses among growing plants. With high temperature and high light intensity a concentration of less than half of 1 per cent. of carbon dioxide will about double the dry weight of plant tissue produced."

Many plants can use more light than they get from nature. If such plants are kept continually under an arc light, or if artificial light is used to supplement daylight, their growth is hastened. Wheat and clover will stand a full twenty-four hours of light a day. The tomato, however, needs a rest, and it grows fastest with twelve hours of daylight and six more of artificial light. Commercial application of these facts is not yet in sight. Every day 1,500-kilowatt hours of electricity were used during the plant tests.

#### HUMAN CAPACITY FOR SPEED

The world's speed record for airplanes is now 275.48 miles an hour, an achievement of the Frenchman Bonnet. The achievement of such high speed, and the aspiration of others to travel even faster, raises the question of how fast a man or airplane can go with safety. Can a man build a flying machine that has more endurance than his own body? Can a creation of man's brain outride its creator? The mechanically possible may be the physically impossible. A speed may yet be attained which will not allow a turn to be made. Even if the plane can stand it, the centrifugal pressure on the stem of the brain of the pilot caused by a sharp curve may cause death. It is believed doubtful if man will be able to withstand a speed of much over 300 miles an hour on sharp turns. A flier may be able to withstand straight-ahead spurts at much higher speed. The question is yet to be answered. Lieutenant James H. Doolittle of the United States Army probably acquired a speed of 350 miles or more when he recently accomplished his amazing feat, an outside loop. He learned more about the physical effects of terrific centrifugal force than even crack pilots care to learn. He is said to have described how his eyeballs were so extended that they touched his goggles.

# War Dangers in Europe Today

By ALBERT BUSHNELL HART

PROFESSOR EMERITUS, HARVARD UNIVERSITY; CHAIRMAN,  
BOARD OF CURRENT HISTORY ASSOCIATES

THE conference on naval disarmament at Geneva, or rather the conference on an agreed naval armament, brings forcibly to the front the difficulties in the way of world peace, and also the obstacles to peace-bearing understandings between small groups of Great Powers. Great Britain must have a kind and amount of naval force sufficient to protect its radiating lines of world communication and supply. Japan cannot, without a strong navy, hold its position as the England of the Orient, the offshore determinant of foreign policy toward China. The United States has responsibilities in the Pacific, and larger responsibilities in the Caribbean region, including the Isthmus Canal, which justify naval strength if not naval equality in the world.

Why does this question of balance of sea-force come up just now, when no international world conflict is going on anywhere? Because the conditions of real and continuing world peace are not yet realized. Notwithstanding the League of Nations and the arbitration treaties and the opportunity to save the world by attempting to enact one of the various plans of peace so amiably set forth by jurists and academic internationalists, an atmosphere of dread and danger enfolds the European Powers that at present constitute the active concert of nations. There would be no need for President Coolidge, Secretary Kellogg and Mr. Gibson to insist on strict and comprehensive naval understandings but for their conviction that a powerful American navy may be needed in the brief lifetime of a modern ship of war to protect the American people and the territory that they control.

In many ways the great nations of Europe are peaceful at heart. The terrific depression of national life during the war has apparently gone by. One notices on the streets many maimed, especially in Germany. Yet it is hard to realize that most of the men above 30 years of age in Europe went through military service of some kind, and are a fortunate remnant of the nation's manhood that played its part in the tragic years falling between 1914 and 1918. What the Germans think about war does not appear on the surface. As in the United States, nobody has much to say of his ex-

periences of war, just as a soul escaped from Hell might dread its own memories.

The veteran is a force to reckon with in every country. In Germany a special drive is in progress intended to bring into common action "the front soldiers." Even in a country where all the manhood was harnessed into some form of military aid to the nation, there would seem to have been some slackers, or at least a considerable number of men who were out of range and are considered by those who exposed their bodies to the enemy's fire to be entitled only to back seats in the veterans' organization.

Nobody can deny the great moral force of the League of Nations in many directions. The great organized force for peace is the League of Nations, which nevertheless is unable to guarantee the world against a "next war." It is a permanent world conference, which can readily prepare and submit general conventions and treaties on questions of international intercourse. It can draft general conventions on health, on transmission of intelligence, on literally scores of complicated issues involving no serious test of rival interests. The registry and publication of treaties is a great protection to all nations. A like service is the easy international intercourse, the convenient bases for international conferences. As a world bureau of minor affairs the League of Nations is indispensable.

On the larger questions of international differences the League of Nations as a voting body has never been tested, inasmuch as no capital decision has yet been made either by the Assembly or by the Assembly and Council together. The classic example of the settlement of the Italo-Greek question over Corfu was made by the Council of Ambassadors, a left-over of the Treaty of Versailles, and not an official part of the League of Nations. On the other hand, the precipitate approval of the Geneva Protocol in 1924 by the Assembly led to a fiasco which weakened the slender authority of the League.

If the League of Nations were suddenly called upon to prevent a "next war," its lack of substantive authority would be revealed. The first difficulty is that in the minds of President Wilson and the other diplomats in the Paris Conference, who ex-



pected the United States to be a big brother in the League, we were to throw the weight of our vast population and wealth and good-will to mankind always into the scale of peace. The second difficulty is that the League is founded on the doctrine of equality of all nations, a principle which does not accord with European actualities nor conform with the Monroe Doctrine or that control of Central America by the United States which has been a fixed fact for a quarter of a century.

Of course, the Council, which has far greater potency in the League of Nations than the Assembly, does represent primarily the large Powers, some permanently, others in rotation. Nevertheless, it is hard to believe that if the League of Nations had been organized on its present basis, it could have stopped the war in 1914, particularly if it had not had the cooperation of the United States as the most powerful neutral. The then existing Hague Court was absolutely ignored.

What of the national forces of the "next war"? Europe is still far from having recovered from the last war. Germany has the outward appearance of prosperity. The people are fed. The mills are in operation. The shipping engaged in foreign trade is recovering with leaps and bounds. The cities seem busy and prosperous. Above all, Germany has lost the military atmosphere. In the streets of Nuremberg, for instance, uniforms are hardly more noticeable than in London; the "lieutenant" type of objectionable human beings is apparently now out of date. President Hindenburg has done much to break up the tradition that there can be no strong or permanent Government in Germany except an imperial; some people talk about a restored empire, not realizing that to restore the empire and the imperial family necessarily means the restoration also of the Kingdom of Prussia and twenty-two other monarchies, from the King of Bavaria to the Duke of Meiningen. How far the Germans accept the loss of Alsace-Lorraine as permanent no one can tell. They are still furious against the "corridor" of Poland, which divides their eastern territory; and they will shut that passage with a bang if ever they have the power, whether in the "next war" or the next-but-one war.

The immediately dangerous spot in Europe is Austria. For centuries the area that now bears that name was associated with other regions—Bohemia, Hungary, North Italy, Croatia, Bosnia. The present republic is simply the German-speaking

core of the Austro-Hungarian Empire. The Austrians are enraged at the Italianization of Southern Tyrol, which has been German in speech and thought for a thousand years. It is altogether probable that on an open vote of the Austrian people, annexation to Germany would be overwhelmingly carried. But that would upset the balance of Catholic and Protestant population in Germany and would add about a seventh to the population. In any case, here is a brand which might ignite a "next war."

The most disturbing element in Central Europe is, of course, Italy, which is governed by a Louis XIV without a territorial nobility—or rather by a Napoleon without military genius. Tension exists on the French side of the line. The two great Latin nations do not love each other; and any attempt to establish Italian power in the only directions in which Italy can expand—the Balkans and Asia Minor—would certainly precipitate the "next war."

The most military country in Central Europe is France, which has no further aspirations for territory in Europe, but is aiming at an African empire as a nursery for French troops if or when the "next war" eventuates. How far the black troops, which are relied upon to save the whites who constitute the political empire, will stand civilization, or how far they will prove serviceable in European wars, are questions not settled in the World War. Europe knows that the eventual destruction of the Roman Empire was due to placing defense in the hands of barbarians.

Only on the ground can one appreciate the rivalries and hatreds in Europe, which are older than the World War, and are not extinguished by peace. The greatest danger to peace and to Western civilization has not yet been mentioned. Suppose the Mexican republic had a population of 130,000,000 and was ruled by a group of about thirty passionate and irrepressible persons backed up by an army of 500,000 soldiers. What would be the prospects of peace and arbitration and love with the United States? What would be the status of disarmament? The crux of peace in Europe is the frame of mind and the degree of military organization in Russia. On the other hand, nobody dares to go to a big international war with that sinister force flanking the frontier of Germany and the small East European States. No League of Nations, no World Court, no disarmament, no outlawing of war can protect the world while Russia is a power looking for trouble.

ANNECY, FRANCE.

# The Failure of the Three-Power Naval Conference

By JAMES THAYER GEROULD

LIBRARIAN, PRINCETON UNIVERSITY; CURRENT HISTORY ASSOCIATE

THE Naval Conference is over, and it has failed to accomplish its purpose. Whether, on the whole, it has done more harm than good is a futile speculation. It has at least cleared the air. The conference may be, as Sir Austen Chamberlain so hopefully predicts, the precursor of another, at which positive results may be attained; it is equally possible that the irritation which this meeting has caused may result in a period of insensate naval competition.

When Mr. Bridgeman and Viscount Cecil returned to Geneva on July 28, bringing with them the revised proposals that, for the previous week, had been so carefully studied in London, the fate of the conference was virtually sealed. Although, in certain particulars, the new proposals seemed to meet the American demands, our delegation was not satisfied and declined to accept them. The proposals were these:

1. The combined tonnages of cruisers, destroyers and submarines below the age limit for replacement is not to exceed: (a) For the British Empire and United States, 590,000 tons; (b) for Japan, 385,000 tons.

2. In addition each Power may retain 25 per cent. of the total tonnages given in paragraph 1, (a) and (b), in vessels over age.

3. Age limits before which replacement cannot take place: Ten-thousand-ton cruisers, eighteen years; other cruisers, sixteen years; destroyers, sixteen years; submarines, thirteen years.

4. The following vessels over 6,000 tons to be retained in their respective fleets:

British Empire—Four Hawkins class, carrying 7.5-inch guns; the York, carrying 8-inch guns; two Emerald class, carrying 6-inch guns.

United States of America—Ten Omaha class, carrying 6-inch guns.

Japan—Four Ilka class, carrying 6-inch guns.

Note:—The general intention of this proposal is to provide for the retention of existing ships which, though still in full efficiency, fall neither within the 10,000-ton, 8-inch class nor the contemplated class with a maximum displacement of 6,000 tons and maximum armament of 6-inch guns.

The British delegation, recognizing that this proposal would leave the United States of America with no 8-inch gun cruisers in this class, are prepared to agree to construction by the United States of vessels which,

in the opinion of the naval advisers of the three delegations, would equalize the strength of the British Empire and the United States of America in this class.

5. All other cruisers to be divided into two classes: (a) 10,000-ton cruisers; (b) smaller cruisers of a maximum displacement of 6,000 tons and mounting a gun not exceeding 6 inches in calibre.

6. Ten-thousand-ton cruisers to be limited in number: For the British Empire and the United States, 12; for Japan, 8.

7. Maximum standard displacement for flotilla leaders to be 1,850 tons and for destroyers, 1,500 tons. Flotilla leaders and destroyers not to carry a gun above 5 inches.

8. Of the total tonnage in the destroyer class 100 per cent. may be used for vessels of 1,500 tons and under, but not more than 16 per cent. of the total may be used for the flotilla leader class, i. e., vessels above 1,500 tons and limited to a maximum of 1,850 tons.

9. Submarines to be divided into two classes: Class A, 1,800 down to 1,000 tons; Class B, maximum 600 tons. Submarines not to carry a gun in excess of 5 inches.

10. The maximum tonnage to be devoted to submarines of either class of whatever age to be as follows: (a) British Empire and United States, 90,000 tons; (b) Japan, 60,000 tons, of which total tonnage not more than two-thirds may be used for Class A submarines.

11. Except for the restrictions imposed in Paragraphs 6, 8 and 10, the total tonnage allocated to be used as each Power thinks best.

Criticizing the proposals in detail, the American delegation pointed out that though the first paragraph met the limitation on total tonnage desired, neither there nor anywhere else did it provide for the limitation by classes—cruisers, destroyers, submarines—which they regarded as essential. In other words, any one of the Powers might, if it thought it wise, use its entire allotment, minus such tonnage as it now has afloat, for the construction of a single type. This would defeat what our delegation regarded as a fundamental aim of the conference, the limitation of cruiser construction. The second paragraph, providing for retaining an additional 25 per cent. of obsolete tonnage, met with little objection; nor was exception taken to the third, which represented a material conces-

sion from the original British position regarding the life of naval vessels. The fourth proposal provided for a separate class, to include certain specified vessels in each of the navies, which did come within the later categories, and for permission to the United States to construct within this class enough additional vessels to give it equality. The fifth paragraph, which provided that all other cruisers should fall into two classes, one covering 10,000-ton boats mounting 8-inch guns, and a second, those of a maximum displacement of 6,000 tons with 6-inch guns, ran counter to another fundamental principle of the American delegation—namely, that all cruisers should have guns of the larger calibre. With the remaining proposals our representatives were not disposed to quarrel, except in so far as they did not limit specifically the tonnage to be devoted to destroyers and submarines. They pointed out that the major part of the stipulated submarine tonnage might, during the life of the proposed treaty, which was to run only until 1936, be covered under the class of obsolete vessels, provided for in Paragraph 2.

Although it is not true that the conference was doomed from the first to fail, the conditions under which it met made its success possible only if the delegates were willing, and able, to compromise. This does not seem to have been the case. The programs

of the British and American delegations were definitely opposed in their point of view; and the program of the Japanese was sufficiently different to provide a third element of discord. These programs had been prepared with great care by the Governments concerned and the delegates were bound by rigid instructions. The naval authorities in each country, whether rightly or wrongly—it does not at all matter—determined upon certain standards of power as necessary for their security. Naturally enough, properly enough, if their premises were admitted, these standards would provide defense against all possible contingencies. Each nation protests with great vigor that it is arming with no thought of any other particular nation in mind; but such protests deceive no one who has any knowledge of the administration of war and navy departments. This is not to say that any one of them is planning a war against any other. It means simply that the strategist believes it to be his duty to have a plan in the files for every conceivable emergency.

With programs so fashioned, compromise was difficult. The situation was complicated by the fact that there was on one side, a nation that, since the defeat of the Spanish Armada, has cherished a tradition of maritime supremacy. By virtue of it, its Empire was brought into being; and without it, it fears that it would fall. Add to this the fact that, should its communications with the outside world be cut off, starvation would, in a very few days, stare Great Britain in the face. It is only ten years ago that the reality of this danger was forced into the consciousness of the whole British people. It is not strange, therefore, that they fight to the last ditch any attempt to limit materially their naval strength.

Opposed to them is our own Government, which has never admitted the validity in international law of the rules by which the British Admiralty has attempted to control neutral commerce in time of war. It has fought a war in an entirely unsuccessful attempt to determine the matter; and the correspondence regarding it, from 1914 to 1917, failed of reaching a highly unpleasant termination only because our neutrality was official rather than actual. In another set of circumstances the end might have been different; and this our State and Navy Departments have very clearly in mind.

Our claim to the right of parity, advanced for the first time less than ten years ago, has as its fundamental basis the assertion of power to combat the British position. Whether we should ever use this power is



NEXT DOOR TO THE LEAGUE, TOO!

(In connection with the Naval Conference we have seen no attempt to make use of the League of Nations.)

Gaston Doumergue (the French President): "Why didn't we go into this conference?"

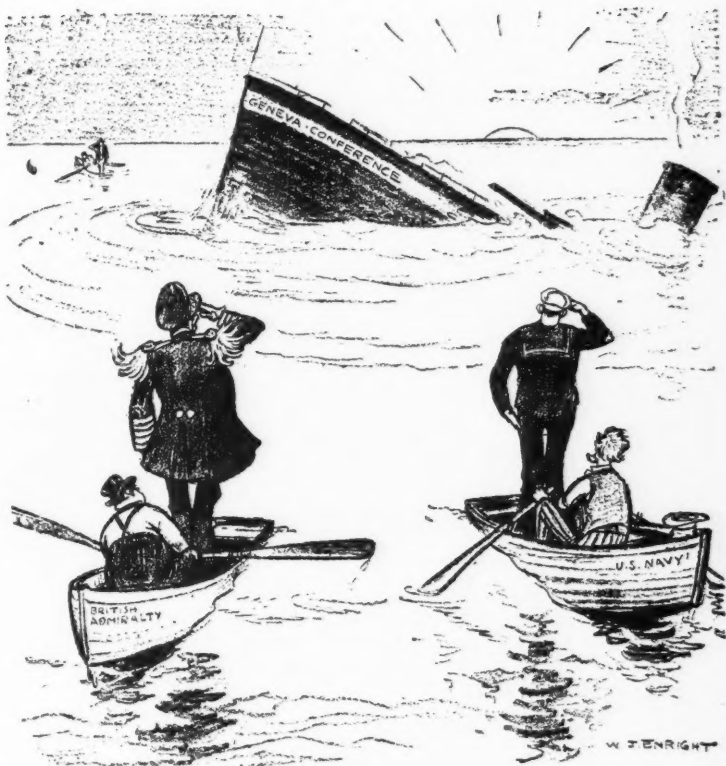
Aristide Briand (the French Foreign Minister): "That's what I am laughing at, too!"

—Yorkshire Evening News, Leeds, England



quite another matter. While there is doubtless ground for the belief, generally held abroad, that parity is with us a matter of prestige, an expression of our dominating financial position, a function of our national arrogance, yet behind it all is the reason given. On no other ground can we logically establish our position. Officially Great Britain admits it, but sometimes it is with a very wry face. The British do not believe that the necessity for this exists; but they are willing to go to almost any length to preserve the cordial relation between the two countries. The solidarity of the English-speaking nations is a first article in their creed. They realize, too, that our financial strength is such that, if we are willing to spend our money that way, they are powerless to prevent us from outstripping them in construction. That they do not believe in the application of the principle to light cruisers is evident from Sir Austen Chamberlain's speech on July 27 and what the Navy League thinks about the matter, they made clear in a statement printed in the *London Times* on July 5, in the course of which they said: "To admit America's claim to equality, by means of a treaty or legal declaration, would, in our judgment, be a mistake; for it would be tantamount to our signing a false statement. It is manifestly false to admit the equality of naval needs of both countries, and it is, therefore, false to say that we admit the equality of navies."

The situation at Geneva was made still more difficult by the absence from the Council table of the other naval Powers. Great Britain in particular cannot afford to ignore the future naval policy of France and Italy, particularly should they later, as is quite possible, undertake competitive building programs. Nor can Germany be



WITH ALL DUE RESPECT

—New York World

left out of account. If substantial progress is not made in working out a program of general disarmament, it is folly to suppose that the Germans will allow themselves much longer to be bound by the terms of the Versailles Treaty. They have already, in effect, served such a notice on the world.

As the conference went on it became increasingly evident that the diplomatic preparation for it was insufficient. Our Department of State seems to have assumed that the record of the Washington conference could be repeated, and that the American proposals would be quickly accepted. They did not seem to anticipate the presentation by the British of a program built on quite a different theory. With all proper respect for open diplomacy, it is unquestionably much easier to harmonize discordant points of view before they have been given public expression. The Chinese are not the only nation whose "face" must be saved.

The American delegation contended that naval needs are relative rather than abso-

lute; that the amount of tonnage required is measured by the strength of other navies rather than by any mathematical calculation designed to show that, with so many miles of trade routes to police, so many cruisers are necessary. The British, on the other hand, reject, as entirely unreal and altogether inadequate, the American formula which would allow them arbitrarily a certain fixed tonnage of cruisers, destroyers and submarines. They draw a sharp distinction between a cruiser of 10,000 tons, mounting 8-inch guns, which is capable of operating with the battle fleet, and one of 7,500 tons or less, which, they say, has purely a defensive purpose. They are quite willing that the United States should have parity in the larger class; but, for motives of economy, they wish to keep the number of these vessels as low as possible. They concede parity in the light cruiser class if the United States will allow them to build as many boats as their Admiralty estimates to be essential.

The American delegation seems to have been unwilling to admit the distinction between these two types of cruisers. Great Britain, they say, with a chain of naval stations encircling the globe, can afford to use vessels of a smaller cruising radius. Lacking such bases, our navy requires a larger type, capable of making longer voyages. They have failed to explain, so far as one can learn, how it is that our navy, since it has never had in commission a single 10,000-ton cruiser, has been able to operate. Somehow or other, its work has thus far been done with vessels of a smaller size. The crux of the situation is, of course, our desire to prevent Great Britain from converting her merchant ships, which are capable of mounting 6-inch guns, into cruisers of naval effectiveness. Hence, our constant insistence on the use of the 8-inch gun on all cruisers.

The Japanese apparently had one idea uppermost in their minds: to preserve their present naval strength and prestige and at the same time relieve their hard-pressed treasury from the heavy drafts required by an extensive naval program. Admiral Saito made this very clear when, on July 6, he stated that he could not accept the British figures and very much preferred the minimum, rather than the maximum, of the American proposals. As a compromise, Mr. Gibson proposed, on July 7, a program of eighteen 10,000-ton cruisers, the number which Great Britain now has either completed or authorized, with 220,000 tons ad-

ditional for light cruisers, all of which, however, should have 8-inch guns.

"They are but two inches apart," remarked some humorist at the conference; but that two inches required a bridge for which none of the experts present had an adequate plan. On the same day, Japan suggested that cruisers and destroyers should be considered together, 450,000 tons being allotted to Great Britain and the United States and 300,000 to Japan. They further stated that they were willing to agree to 8,000 tons as the maximum for cruisers, provided that they had 8-inch guns. For some unexplained reason Mr. Gibson considered it good tactics to permit the circulation of a report on July 9 that, instead of eighteen 10,000-ton cruisers, the United States desired twenty-five. This report was not categorically denied until July 13. The British countered with the proposal that second class cruisers should be limited to 6,000 tons, with 6-inch guns.

A plenary session was called, at the request of the British, for July 11, but it was evident that the divergence of opinion was so great as to make it unwise to hold it. Neither side wished to assume the responsibility for postponement; and both were very glad to accept as an excuse the death of Kevin O'Higgins, a member of the British delegation, who had been murdered the day before. In the House of Commons on July 11 Sir Austen Chamberlain made the proposal that, pending the construction by the United States of a number of first-class cruisers equal to their own, British building should cease. They now have four in commission, eleven under construction, and two others are to be laid down this year. Mr. Bridgeman, at Geneva, hinted that they would be glad to see the total number reduced to from ten to thirteen. During this period the British would proceed with the construction of smaller craft within the limits of the 400,000 total.

During the next few days little progress was made and the plenary session on July 14 was hardly more than a public record of disagreement. The speeches by Bridgeman, Jellicoe, Gibson and Ishii were, in effect, restatements of the positions they had taken at the beginning of the conference. Jellicoe's statement that the 114 cruisers, which the British had at the beginning of the war, were inadequate for their needs, brought a sharp retort from Mr. Gibson. "I confess," said he, "that the American delegation entertains serious misgivings in regard to efforts to prepare, in times of

peace, for all possible contingencies of war."

After this plenary session no important new suggestions were advanced until July 17, when it was rumored that our delegation was to propose the acceptance of the six-inch gun in exchange for the dismantling by the British of their three naval stations which flank the American coast and the Panama Canal. On the same day Japan and Great Britain reported a provisional agreement on 500,000 as the total tonnage of cruisers and destroyers for Great Britain and the United States, with 300,000 for Japan, with the proviso that obsolete tonnage, amounting to 25 per cent. of the total, might be retained and not counted within the total. The dispatches of July 18 reported another tentative agreement, shared by all the Powers, on a 12-12-8 ratio for first-class cruisers. Then, on July 19, the British threw a bombshell into the camp by announcing that Mr. Bridgeman and Lord Cecil had been called to London

for a conference with the Cabinet and the following week, the centre of interest shifted to London. Of the details of the discussions there, nothing is, of course, known. Their result was evident in the proposals [quoted at the beginning of this article] which, a week later, were presented to the conference and which were rejected by the United States, thus leading to the conclusion of the negotiations. A joint declaration by the three delegations explaining the grounds of disagreement was presented at the final plenary session and brought the conference to an end on Aug. 4.

After consultation with Secretary of the Navy Wilbur, President Coolidge made it known on Aug. 9 that the Administration would go on with what was described as a moderate naval building program and that there would be no change in this country's naval policy. The President believed that the conference at Geneva had failed only temporarily and that the failure must not be made the cause of naval competition.

## The League of Nations At Work

By RAYMOND B. FOSDICK

FORMER UNDER SECRETARY GENERAL OF THE LEAGUE OF NATIONS

JUNE as a transition month between the Winter and the Fall Assembly was as usual, exceptionally busy for the League of Nations. July was largely devoted to following up the work begun in June. The forty-fifth session of the Council, which might be compared to an international Board of Directors, met from June 13 to June 17; the Naval Conference began on June 20, and a series of other meetings were held. Of these the most important was the Council, which, under the Presidency of Sir Austen Chamberlain, brought together the fourteen regular State members, five others for special questions and representatives of many of the League's activities and special commissions. The most important discussions were on disarmament and the Economic Conference. Two other gatherings were, however, perhaps of even larger significance for the future of the League and were each unique in its history. The first, entirely independent of the League, was the Coolidge Three-Power Naval Conference, convened by call of the President at the seat of the League and in its buildings. The second was the Conference on

Infant Mortality held on June 15 at Montevideo. It was the first League meeting to be held on Latin-American soil, and was attended by experts from Argentine, Bolivia, Brazil, Chile, Paraguay and Uruguay.

*Disarmament*—The Council discussed disarmament on the basis of reports on the Preparatory Commission, on economic sanctions and on supervision of the private manufacture of arms. After debate, the Council held that the commission had made substantial progress in a problem whose successful solution requires time and patience, took note of the reports presented to it, and referred them either to its committees for further study or to the Governments for an exchange of views. ....

*Economic*—The Economic Conference, the most ambitious congress yet attempted by the League, led to a long discussion in the Council. The rapporteur, Dr. Stresemann, endorsed its results thoroughly, and each member of the Council in turn expressed his country's approval. The Council fixed for Oct. 17, 1927, the conference for suppressing prohibitions and restrictions upon imports and exports, and took other steps



looking to a strengthening of the League's economic work.

*Codification of Law*—The Committee of Experts for the Progressive Codification of International Law on June 13 submitted reports to the Council, to the effect that seven subjects appeared to it ripe for international action; i. e., nationality, territorial waters, diplomatic privileges and immunities, the responsibility of States for damage inflicted in their territory upon the person or property of foreigners, piracy, exploitation of the products of the sea and the procedure of international conferences. Further questions as to procedure, i. e., whether the conference should be held under the auspices of the League or some Government having a traditional interest and experience in the advancement of international law, and just what subjects should be included on the agenda, were left to the Assembly in September.

*Refugees*—The Council dealt with many problems of relief and reconstruction in Bulgaria, Greece and Armenia. As to Bulgaria, the League Commissioner at Sofia reported on the loan account, the yield of revenues assigned as security for the loan and the execution of the settlement plan. The security assets are yielding more than double the sum necessary to serve the loan. By the end of the year 900,000 decares, enough for the upkeep of 25,000 families, will have been delimited and handed over to the refugees. As to Greece, the Financial Committee of the League advised immediate measures to stabilize the drachma on a gold basis. To this end the committee proposed a loan of £9,000,000, of which one-third would be used each for refugees, budget arrears and strengthening the Bank. As to Armenia, Dr. Nansen, the League High Commissioner for Refugees, reported that there were about 250,000 refugees in Constantinople, Greece, Bulgaria and Syria, most of them in a pitiable condition. He thought £300,000 was needed for transportation and establishment if the Armenian Government could finance the irrigation of the necessary land. One-third of the money was pledged already. The Council decided to circulate pertinent documents among the various Governments for their sympathetic consideration and to place the matter on the agenda of its next meeting.

*Memel*—Of the political disputes before this session, the one which attracted most attention was that presented by the German Foreign Minister in the form of a petition from the leading citizens of Memel, alleging infringements by Lithuania of

Memel autonomy as secured under League negotiations. Dr. Stresemann and the Lithuanian Prime Minister, however, negotiated the dispute informally, with the result that a definite declaration was made to the Council by the latter which all parties considered satisfactory.

*Danzig*—Discussion of the civil administration of the Free City of Danzig, particularly the storage and transport of war munitions en route to Poland, was postponed, the Council permitting the continuance of certain provisional regulations without prejudice to the Council or to the parties to consider the substance of the case later.

*Albania*—A political question which might have had serious consequences arose out of the sudden arrest of the dragoman of the Serbian Legation in Tirana. This had developed such complications that the Serbian Government had withdrawn its diplomatic representatives from Albania. Both Governments immediately informed the League of the facts and both gave assurances of their intention to preserve peace. The matter, therefore, though technically presented to the League, did not develop sufficiently serious consequences to justify intervention.

*Viscount Ishii*—With regard to the administration of the League itself, the Council took formal note of the retirement of Viscount Ishii, the Japanese representative, who had represented his country since the Peace Conference.

*Council Meetings*—The Council considered the suggestion of Sir Austen Chamberlain that it meet three times annually instead of four, on the ground that this would make it easier for Foreign Ministers to attend, besides causing no serious difficulties. The suggestion had met, however, with sharp criticism, as possibly indicating a decrease of interest in the League on the part of its own members. Sir Austen, therefore, proposed that no action be taken until, after the Fall elections, both the Council and Assembly had had an opportunity to express an opinion.

*Secretariat*—The Council took note of a report from the Secretary General, which it had requested last December, showing the enormous increase in the work of the Secretariat since 1919. One indication of this is that the staff, which numbered 183 in 1920, now comprises 467. The documentation and preparatory work have grown in proportion to the League's growth in experience and the resulting complexity of its activities.

*Opium*—The Council decided to refer to

the Assembly the question of including in the budget of the Secretariat the expenses of the Opium Central Board, which will be appointed when the final act of the Second Opium Conference is ratified by the number of Powers stipulated as necessary to bring the convention into operation. The ratifications are almost completed.

*Committees*—The Council further took note of minor reports on questions of Intellectual Cooperation, Health, Communications and Transit, Slavery, Traffic in Women and Children, Child Welfare and Finance.

*The Permanent Court of International Justice*—The court opened its twelfth session at The Hague on June 15 with one of the heaviest calendars in its history.

*The Battleship Salamis*—At the end of June the Greek Government applied to the Council for relief from a contract entered into with Germany in 1912 for the building in German yards of a battleship to be known as the *Salamis*. The case calls for the interpretation of two clauses in the Treaty of Versailles and of a recent bill introduced in the German Reich. Germany wishes to enforce the contract; Greece seeks to avoid it. The Versailles Treaty provides, in effect, that Germany shall not build warships for foreign delivery. The recent German bill seeks to except from such provision warships contracted for before 1914. The Council of Ambassadors has specifically refused to recognize the German bill as an interpretation of the treaty.

*Defence Budgets*—Apart from the questions considered by the Council and the cases before the World Court, a Committee of Experts on National Defence Budgets met on June 17 to prepare a model statement of expenditure on national defense.

*Counterfeit Coinage*—A Joint Committee of Experts for the Suppression of Counterfeit Coinage met in Geneva on June 23 in pursuance to action taken by the Council in December, 1926. The object of the committee is the drafting of an international convention and a coordinated system of national legislative measures.

*Buoyage and Transport*—Sub-Committees for Buoyage and Lighting of Coasts and for Combined Transports met for experimental tests and research in Stockholm on June 27 and in Dresden on June 24, respectively.

*Mandates*—The Permanent Mandates Commission convened on June 20 and rose on July 6, its agenda including the examination of the annual reports of the Manda-

tory Powers for Syria and Lebanon (France), Palestine (Great Britain), French Kameruns and Togoland, Tanganyika (Great Britain), Southwest Africa (South African Union), New Guinea (Australia), and Nauru (British Empire), together with various petitions from individuals and organizations in the mandated territories, and three questions of unusual interest:

1. The appointment of a German member to the commission. The Council of the League at its June meeting referred this question back to the commission for an opinion. The commission submitted a majority and a minority opinion, the former stating that there was no technical objection to the appointment, and the latter stating that in view of the political character of the question no opinion could be given.

2. The establishment of a standard questionnaire to be made out by the mandatory Powers when reporting to the commission. The proposal for such a questionnaire was sharply criticized by the mandatory Powers, and the commission decided not to press the matter for the time being in view of the fact that the mandatory Powers in practice give full information to the commission.

3. The northern boundary of Southwest Africa. The Union of South Africa, which is the mandatory Power for this territory, recently declared that it "possessed sovereignty" over it. This phrase was criticized by the Commission, which has asked the Government of the Union of South Africa to submit an exact interpretation of the phrase. The Government's reply may raise the fundamental question as to the exact legal status of all mandated territories.

*International Relief Union*—The Conference for the creation of an International Relief Union met on July 4. The name of Senator Giovanni Ciralo of Italy is attached to this work, by reason of the fact that he has for years been evolving a plan for the prompt and efficient cooperation of charitable institutions in coming to the aid of peoples who have been stricken by disaster. The scope of the work does not contemplate the creation of a Government-supported International Red Cross which would interfere with national Red Cross societies; but rather the internationalization of the work in which Red Cross societies are customarily engaged and the provision of machinery capable of unifying that work in times of emergency. The conference, which rose on July 12, adopted a convention and statute for the union, which provide for a General Council and a central fund. The

convention and statute of the union will come into force after they have been ratified by the Governments of a certain number of States signatories to the convention.

*Economic Committee*—The League Economic Committee met in extraordinary session on July 12 as a result of a resolution passed by the Council at its June meeting. The purpose of the committee was to consider how the resolutions of the Economic Conference could best be carried out in regard to (1) the lowering of tariffs and the conclusion of bilateral commercial treaties; (2) an inquiry into the tariff systems in force with particular regard to the most-favored-nation clause; (3) the establishment so far as possible of a unification of tariff nomenclature. The committee requested the Secretariat of the League to gather information on these questions and to prepare the conference whose convocation was recommended by the Economic Conference, on the treatment of foreigners and foreign enterprises.

*Intellectual Cooperation*—On July 20 the International Committee for Intellectual Cooperation met in plenary session under the presidency of M. Lorentz and concluded its work on July 26. Professor Gilbert Murray of Oxford University was elected Vice President. Among the other members of the committee who were present were Professor Einstein, Mme. Curie and M. Painlevé. The committee considered a report from the Director of the International Institute of Intellectual Cooperation in Paris, which showed the growing activity and expansion of the institute. As a result of the recommendations of the Sub-Committees on Bibliography, Intellectual Rights and Arts and Letters, the committee considered projects for the international exchange of publications, rights to be accorded to scientists upon the lucrative utilization of their discoveries and the rights of authorship, with a view to the attitude to be adopted by the representatives of the institute at the Diplomatic Conference to be held in Rome for the periodical revision of the Berne Convention concerning artistic and literary property. The committee further examined measures to be taken for the co-ordination of bibliography concerning Greco-Latin antiquity and for exchange between libraries and museums. It studied several reports concerning questions dealing with tables of constants and numerical data, nomenclature in anatomy and nosol-

ogy and the disadvantages of employing ink and paper of bad quality for the printing of official documents. It also discussed the possibility of international action as regards the stage, and considered the report on the chalcographic exhibits now on view in Paris, Rome and Madrid. The preparatory work on the Congress on Popular Rights to be held in Paris under the auspices of the League, for which national committees have been set up in various countries in order to make the congress a success, was also considered. The committee also adopted the resolutions of its Sub-Committee of Experts on the Instruction of Youth in the Aims and Purposes of the League, these being the establishment of a centre of educational information and the organization of a body of lecturers on the League who would be able to give information to teachers in the various countries.

*Air Sub-Committee*—This committee met on July 20 to consider the possibility of withdrawing the restrictions imposed in 1921 and 1922 upon the construction of air apparatus in Danzig.

*League Flying Field*—A group of experts met on July 25 to consider the possibility of establishing an aviation field near the seat of the League. This work, whose results will have great importance in the rapid transportation of Council members in times of crisis, is within the field of the Committee on Communications and Transit.

*The United States and the League*—The United States had a substantial representation in League activities during June and July. Aside from the Naval Conference and the swelling stream of tourists, the United States has been officially invited to attend the Third General Transit Conference, the Conference on Double Taxation and Tax Evasion and the Conference on Import and Export Prohibitions and Restrictions. At the Council session Charles B. Eddy of Plainfield, N. J., was present as Chairman of the Greek Refugee Settlement Commission; at the Conference on the Suppression of Counterfeit Coinage, W. H. Moran, Chief of the Secret Service of the Treasury Department; at the Conference for the Creation of an International Relief Union, Mr. Kittredge, Secretary General of the League of Red Cross Societies, and at the Conference of the Committee for Intellectual Cooperation, Professor Thompson, Secretary of the National Committee in the United States.



## Coolidge Does Not "Choose" to Run in 1928

By WILLIAM MacDONALD

LATELY LECTURER ON AMERICAN HISTORY, YALE UNIVERSITY;  
CURRENT HISTORY ASSOCIATE

ON Tuesday, Aug. 2, President Coolidge startled the newspaper correspondents at Rapid City, S. D., by handing to them typewritten slips of paper containing the words: "I do not choose to run for President in nineteen twenty-eight." The announcement so dramatically made was issued, it was said, without consultation with Mr. Coolidge's friends, and the secret of his intention had been so carefully guarded that no inkling of it had reached the press. Some personal interest attached to the incident from the fact that the statement was given out on the eve of the fourth anniversary of the day on which Mr. Coolidge took the oath of office at his father's house in Plymouth, Vt., following the death of President Harding.

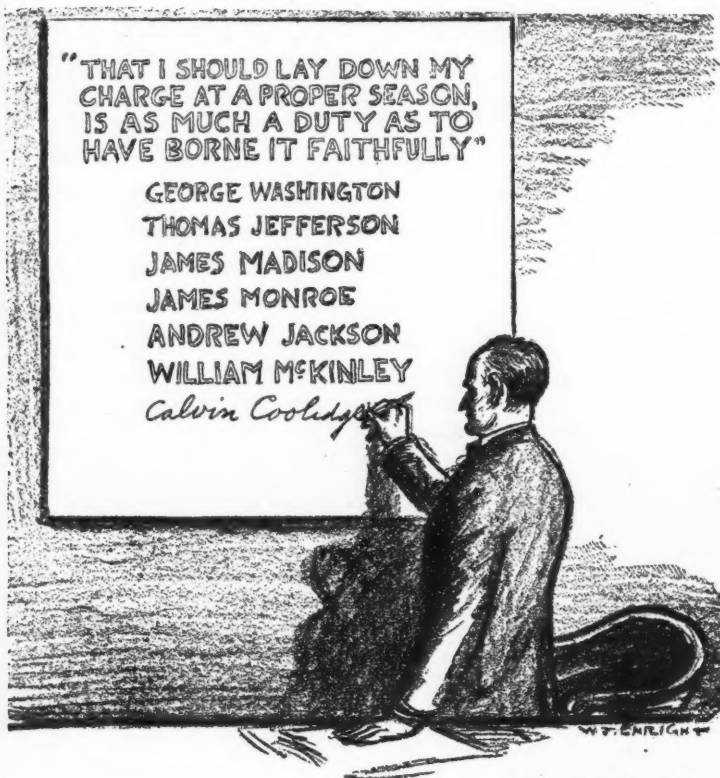
The unexpected announcement, which created a nation-wide sensation, precipitated an immediate discussion regarding not only the precise meaning of the words which Mr. Coolidge had used, but also the probable reasons for issuing the statement at that time, nineteen months before Mr. Coolidge's term expired and some ten months before the probable meeting of the Republican National Convention. It had been widely believed that Mr. Coolidge, while perhaps unwilling to declare himself a candidate for another term, would not hesitate to accept a renomination if one were tendered, and his announcement that he did not "choose" to run again was interpreted in many quarters as leaving the door open. Doubt on this point was apparently removed on Aug. 5 when Mr. Coolidge, talking more informally than had been his wont with the correspondents, gave them to understand that his words did not seem to him to need either explanation or amplification, but that what he had said should be taken as indicating clearly his intention to retire from the White House in March, 1929.

In the absence of any explanation by Mr. Coolidge himself, the search for reasons for the announcement became largely a matter of speculation. The breakdown of the Geneva Conference on the Limitation of Naval Armament, which was thought to be a great disappointment to Mr. Coolidge personally as well as a rebuff to his Admin-

istration, was seized upon as one of the impelling motives. It seems probable that a much stronger influence was exerted by the obvious strength of the third-term tradition. Ever since President Nicholas Murray Butler of Columbia University, a prominent Republican, in a speech at New York on Feb. 7, declared emphatically his opposition to the renomination of Mr. Coolidge, insisted that "that President has served two terms who has twice taken the oath of office," and expressed the hope that Mr. Coolidge's "practical common sense" would in due time lead him to make a statement withdrawing his name from consideration, evidences of a widespread and pronounced opposition to a third term have multiplied. Whatever the reasons, it does not appear that general dissatisfaction with the "Coolidge policies," with the possible exception of farm relief, or any marked swing of public opinion toward the Democratic Party, were among them.

With the announcement of Mr. Coolidge's intention to retire, the informal campaign in behalf of his renomination which for some months had been carried on came abruptly to an end, and the confident predictions of Republican forecasters that he would not only be unanimously renominated, but would also sweep the country, were left to be numbered with the political gems which "the dark, unfathomed caves of ocean bear." The news had the immediate effect, on the other hand, of stimulating the activities of the supporters of other candidates, most of whom had hitherto kept discreetly in the background as long as the candidacy of Mr. Coolidge was regarded as a possibility.

Former Governor Lowden of Illinois, who has seemed to be the favored candidate of the agricultural interests that were dissatisfied with Mr. Coolidge's veto of the McNary-Haugen bill, had not formally announced his candidacy when this article was prepared. The other names most frequently mentioned were those of Vice President Dawes, Secretary Hoover, regarding whose political standing with Mr. Coolidge there has been considerable uncertainty, and Charles E. Hughes, an unsuccessful Re-



—New York World

publican nominee in 1916 and formerly Secretary of State and an Associate Justice of the Supreme Court. An incipient boom for Senator Norris of Nebraska, engineered by insurgent Republicans representing the old La Follette following, was reported on July 30. Democratic leaders, for the most part, received Mr. Coolidge's announcement without comment.

The first response of the New York stock market, always looked to as a barometer of approaching political change, was a sharp decline in the prices of a number of securities which have lately had conspicuous advances, followed by an equally marked, but by no means complete, recovery. Highly favorable reports of earnings by the United States Steel Corporation and the General Motors Corporation, the largest industrial enterprises in the country, on July 26, together with optimistic predictions regarding Fall business, had strengthened confidence in the general stability of industry and trade, and after the first shock of surprise the market resumed its irregular advance.

The comment was made, on the other

hand, that while Mr. Coolidge and his policies were, of course, separable elements in the business situation, the policies of economy, debt reduction, maintenance of tariff schedules, and resistance to doubtful experiments in farm relief, upon which the long-continued bull market had relied, were popularly identified with Mr. Coolidge personally, and that any change in the Presidency, even though Republican control continued, implied a measure of uncertainty which would probably be reflected in the volume of production as well as in prices and profits. Historically, the approach of a Presidential campaign, whether the change to be anticipated were one of parties or only one of candidates, has

usually been the signal for a cautious slowing down of business and more or less industrial instability. The likelihood of a recurrence of these conditions seemed to many the more certain because of the widespread assumption that Mr. Coolidge would receive and accept a renomination and the sudden dissipation of that prospect by the announcement of his withdrawal.

#### THE FARM RELIEF ISSUE

The issue of farm relief, apparently of declining significance as the Summer went on, was again brought into prominence by the meeting of the Northwestern Farm Conference at St. Paul, Minn., July 11-12, and the publication on Aug. 6 of the text of a farm relief bill which was understood to have, in principle at least, the support of the Administration.

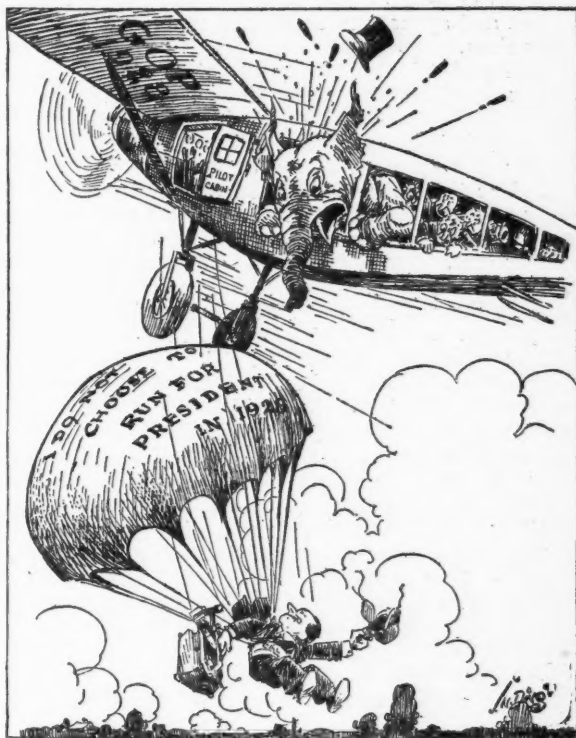
The St. Paul conference, at which twelve States and "some two-thirds of the territory of the United States" were represented, adopted resolutions declaring that "during the unusual prosperity of other groups, farm property values, the best

barometer of farm conditions, have declined up to 1925 some \$30,000,000, and since that time decreases in value continue until land in the United States is approaching the panic prices of the early '90s." The veto of the McNary-Haugen bill, the resolutions continued, "after its passage by a bi-partisan majority of both Houses of Congress, clearly repudiates the Republican platform on which President Coolidge was elected. The veto message which seeks to defend the President's act consists from the beginning to the end of indefensible and conflicting arguments which had been answered to the satisfaction of Congress during months of debate on the measure." The conference accordingly demanded the enactment of the bill into law at the next session of Congress and declared that "we pledge ourselves, our time and our fortunes to present the fairness of our cause to the American people, and pledge ourselves to work for the nomination of men for political office who are favorable to this legislation."

The compromise farm bill of the Administration, a summary of which was made public on July 31, at Rapid City, in advance of the publication of the text of the bill on Aug. 6, differs in the main from the McNary-Haugen bill in devolving upon the farmers, through a variety of boards or corporations, the control of prices, instead of empowering the Federal Government to purchase surplus crops and also fix prices. The bill provides for the creation of a Federal Farm Board, of which the Secretary of Agriculture shall be a member and ex-officio chairman, whose duties it shall be to "analyze economic trends and their relation to the demand for farm products," "develop plans and policies for the control and disposal of excessive surpluses of farm products with a view to the stabilization of prices thereof," cooperate with other Federal agencies in promoting the economic utilization of Government lands for farming, "assist in broadening domestic and foreign markets for agricultural products and in developing by-products of and in creating new uses for" such products, and encourage the development of "sound cooperative marketing associations." For this latter purpose

the Board may grant loans on the amortization plan, for not exceeding twenty years, from a revolving fund of \$300,000,000 which is to be appropriated for this object.

The Board is further authorized and directed to create, "for each agricultural commodity which in its judgment may at any time require the application of this act," an advisory council of seven members. Whenever the Board shall determine "that there exists an excessive surplus of any basic agricultural commodity which may depress the price thereof," it is to organize a "stabilization corporation" for such commodity. With the aid of its capital stock, which is to be subscribed for and held exclusively by "cooperative associations meeting the qualification of the Capper-Volstead act," and of advances from the revolving fund, the corporation "shall buy in the open market such amounts of the commodity for which it was organized as it finds necessary to stabilize prices," and may, in turn, sell the surplus so bought, using for this latter purpose, whenever possible, the machinery of the cooperative



OUT OF A CLEAR SKY  
—New York Tribune



marketing associations. Profits made in favorable years are to be paid into a reserve fund "to cover losses which may be sustained in unfavorable years." If the loss in any case exceeds the amount of the reserve fund, it is to be made good out of the revolving fund.

The publication of the bill, which was said to have the approval of Secretary Mellon, Secretary Hoover and Secretary Jardine, came as a surprise because of the unofficial intimation, on July 15, that Mr. Coolidge felt that discontent among the farmers of the Northwest had been greatly overestimated. Pronounced opposition to

the bill was reported among farm leaders, in Iowa, the most prominent being E. T. Meredith, Secretary of Agriculture in the Wilson Cabinet. Senator Capper of Kansas, one of the foremost leaders of the farm bloc in Congress, announced, in an interview on Aug. 1, that while he did not agree with the St. Paul conference in demanding the McNary-Haugen bill or nothing, and was prepared to consider some compromise, he still felt that the equalization fee, a point to which Mr. Coolidge in his veto had particularly objected, was essential for the farmers to obtain proper relief.

## THE SACCO-VANZETTI CASE

NO event of the month has compared in popular interest with the proceedings in Massachusetts in the world-famous case of Sacco and Vanzetti. In the more than seven years during which the case has been pending, it has been transformed from an ordinary criminal trial to something akin to a great national and international cause, stirring legal, political, racial, social and humanitarian opinion and emotion in every part of the world, and evoking a volume of protest and appeal from men and women of every class.

On April 15, 1920, a paymaster of a shoe manufacturing concern at South Braintree, Mass., with his guard, were shot and killed by men in an automobile who also seized and escaped with the company payroll. For this crime Nicolo Sacco, a shoe-worker at Stoughton, and Bartolomeo Vanzetti, a fish-peddler and odd-job worker at Bridgewater, were arrested at Brockton on May 5, formally charged with the murder later in the month, and remanded to jail at Dedham. An attempt to convict them of holding up a payroll truck in Bridgewater in December, 1919, failed in Sacco's case by reason of a perfect alibi, but Vanzetti was found guilty in July in spite of his alibi, sentenced to serve from twelve to fifteen years in the State prison at Charlestown, and began serving the sentence in August.

In September the two men were indicted by a Grand Jury for the South Braintree murders. The trial, which did not begin until May 31, 1921, was conducted by Judge Webster Thayer, the same Judge who had presided at the previous trials on the hold-up charge. More than five hundred talesmen were examined before a jury was obtained, and on circumstantial evidence both men were convicted. Allegations of partisanship, prejudice and improper con-

duct during the trial on the part of Judge Thayer, and of serious errors in the examination of the accused men and the admission or rejection of evidence, led in the course of time to the presentation of seven motions for a new trial together with five supplementary motions, and two appeals to the State Supreme Court, all of which were heard and denied. On April 9 last Judge Thayer, before whom all of the motions for a new trial had come, sentenced Sacco and Vanzetti to death by electrocution in the week of July 10.

On May 3 an appeal for clemency was presented by counsel for the accused to Governor Alvan T. Fuller, who up to that time had had no official connection with the case. Moved by the serious allegations against Judge Thayer, the charges of improper conduct of the original trial, the open accusation that Sacco and Vanzetti were being railroaded to the electric chair because they were anarchists or radicals and not because they had been found guilty of a crime, and by an imposing volume of protest and appeal from persons obviously untainted by radicalism of any kind, Governor Fuller on June 1 designated President A. Lawrence Lowell of Harvard University, President Samuel W. Stratton of the Massachusetts Institute of Technology and Judge Robert Grant of the Massachusetts Probate Court to conduct an independent investigation of the case. On June 29 a thirty-day respite was granted to the accused, both of whom had, in the meantime, been quietly transferred from the Dedham Jail to the State Prison at Charlestown.

The report of the advisory committee, dated July 27, but not made public until Aug. 7, dealt at length with the three questions which the committee was asked to consider: "1. In their opinion, was the trial

fairly conducted? 2. Was the subsequently discovered evidence such that in their opinion a new trial ought to have been granted? 3. Are they, or are they not, convinced beyond reasonable doubt that Sacco and Vanzetti were guilty of the murder?" As to the first question, the committee found itself "forced to conclude that the Judge [Thayer] was indiscreet in conversation with outsiders during the trial," that "he ought not to have talked about the case off the bench, and doing so was a grave breach of official decorum." The committee did not think, however, that such indiscretion affected the conduct of Judge Thayer at the trial, and they declared that they had "seen no evidence sufficient to make them believe that the trial was unfair."

In regard to the second question, the committee was of the opinion that the evidence offered in support of the various motions for a new trial was not "so grave, material and relevant as to afford a probability that it would be a real factor with the jury in reaching a decision." Concerning the question of guilt, the committee pointed out that "in the discussion of what should be done about Sacco and Vanzetti, popular attention has been largely diverted by the belief that they hold unpopular views on political and social questions." The committee assumed "that this has nothing whatever to do with the question except so far as it may account for conduct that would otherwise be taken as evidence of consciousness of guilt. The fact that persons accused are or are not Socialists or radicals of any type neither increases nor lessens the probability of their having committed the crime, and should be left wholly out of account except so far as in this instance it may explain their conduct at and shortly after their arrest." It was the conclusion of the committee that Sacco and Vanzetti were "guilty beyond reasonable doubt."

#### GOVERNOR FULLER'S DECISION

Governor Fuller, who had himself given much time to the case, talking with counsel, jurymen and others, and interviewing Sacco and Vanzetti in prison, rendered a decision on Aug. 4 commending the committee, endorsing their report and declaring that as a result of his investigation he found "no sufficient justification for executive intervention." Both the Governor's decision and the committee report, on the other hand, were severely criticized by counsel for the defense, by a Defense Committee which for years had been active in behalf of the accused men, and by many others who felt

that, even if Sacco and Vanzetti were guilty, the long and harrowing delay to which they had been subjected and the widespread belief that political opinion as well as crime were involved in the case, entitled them to clemency. The committee, in particular, was denounced for holding its meetings in secret, and for rejecting without any conclusive reason important new testimony upon which the defense had relied, and the treatment of which had afforded one of the main grounds for alleging unfairness on the part of the Court.

#### SYMPATHIZERS' STRIKES

The events of the next few days held the attention of the world. On Aug. 8 Judge Thayer, the same whom Governor Fuller's committee had found guilty of "a grave breach of official decorum," denied a motion for a new trial, notwithstanding a dramatic appeal by counsel for the defense to withdraw in view of the charge of prejudice, and to permit the Chief Justice to designate another Judge. Petitions for a writ of habeas corpus, stay of execution of sentence and writ of error were also denied by Judge George A. Sanderson of the State Supreme Judicial Court. The next day Judge Thayer denied motions for a revocation of the death sentence and for a stay of execution, which he had taken under advisement the previous day. Numerous strikes and demonstrations, attended for the most part with no disorder, were held in New York and other cities, and extraordinary police forces were mobilized. An appeal to the full bench of the State Supreme Judicial Court from Judge Sanderson's decision, filed on Aug. 9, was held over until the 11th, while on the 10th Governor Fuller called a hurried meeting of the Executive Council and conferred with all but one of the former Attorney Generals of the State who were living. In the course of the day applications for a writ of habeas corpus were denied by Associate Justice Holmes of the United States Supreme Court and Judge George W. Anderson of the United States Circuit Court.

Shortly before midnight of Aug. 10, and less than an hour before the execution was to have taken place, Governor Fuller, upon the recommendation of his Attorney General and with the approval of the Executive Council, granted a respite of twelve days, or until midnight of Aug. 22, "to afford the courts an opportunity to complete the consideration of the proceedings now pending and render their decision thereon."

## THE DEATH OF GENERAL LEONARD WOOD

MAJOR GENERAL LEONARD WOOD, Governor General of the Philippine Islands since 1921 and one of the most distinguished American army officers and civil administrators, died at Boston on Aug. 7, following an operation. Born at Winchester, N. H., on Oct. 9, 1860, he became in 1885, following his graduation from the Harvard Medical School the previous year, an army surgeon and continued to serve in that capacity until 1898, when he was chosen by Theodore Roosevelt, then Assistant Secretary of the Navy, to command the "Rough Riders" in the war with Spain. Upon the surrender of Santiago he was made Military Governor of the city, eventually becoming Military Governor of Cuba, a post which he held until 1902.

Thereafter, until the outbreak of the World War, he held important military and civil posts, including that of Governor of the Moro Province in the Philippines and, from 1908 to 1910, commander of the Eastern Department in the United States. He played a large part in the creation of the General Staff of the army, of which he became the first chief, and was mainly responsible for the organization of civilian training camps and the development of the "Plattsburg idea" of training civilian officers. The refusal of President Wilson to

give him command of the American forces in France, a refusal which stirred up a violent political and personal controversy, was later explained by President Wilson as due in the first place to the opposition of General Pershing, and, beyond that, to Wilson's conclusion that General Wood was "apparently absolutely unable to submit his judgment to those who are superior in command."

General Wood's administration of the Philippine Islands, while frequently criticized with some asperity by those who sympathized with the Filipino demand for independence, was marked by a general maintenance of good order, improved conditions in industry and trade, the spread of education and public works and a healthy development of insular finances. With the Philippine Legislature, on the other hand, his relations were unhappy and from 1923 onward very little constructive legislation was enacted. The Thompson report of Dec. 4, 1926, to President Coolidge held both parties responsible and recommended the substitution of civil advisers to the Governor General in place of advisers chosen from the United States army. General Wood was buried with full military honors on Aug. 9 in the Rough Riders' section of the National Cemetery at Arlington.

### MEXICO AND CENTRAL AMERICA

## Mexican Government Frees Imprisoned Catholics

By CHARLES W. HACKETT

PROFESSOR OF LATIN-AMERICAN HISTORY, UNIVERSITY OF TEXAS;  
CURRENT HISTORY ASSOCIATE

THE first year without services in the Catholic churches of Mexico ended on July 31, and the victory of the Government appeared to be even more complete than was the case a year ago. In fact, the apparent triumph of the Government has seemingly made it magnanimous, a decree, signed by President Calles in mid-July, declaring that the Government had decided to free all Catholics accused of sedition and rebellious acts. Twelve men, four married women and two young girls who were about to be deported to penal colonies

on Tres Marias Islands, the principal leaders of an alleged plot in Mexico City and the prisoners in penal camps who had been implicated in the various Catholic movements of the past year, were accordingly liberated. The released Catholics are to be kept under surveillance and rearrested in case they continue their anti-Government activities.

The Knights of Columbus at their annual convention held in Portland, Oregon, denounced the Government of Mexico on Aug. 4 as "aiming to destroy economic values



and the social structure," and charged it with having "already succeeded in corrupting the schools, disrupting the family and rooting out religion from the hearts of millions of our fellow-beings."

The Mexican Presidential campaign, which will not terminate for nearly a year, continued during July to arouse much interest and speculation. Two of the three candidates at present in the field began campaigning early in July—General Obregon in Sonora and Mexico City and General Gomez in Puebla. President Calles has indicated that he proposes to remain neutral, and on July 19 it was reported that all authorities, Federal as well as local, had been ordered to give full guarantees to all voters and to all candidates that keep within the limits of the law. The Secretary of War on July 28 ruled that any military official in actual service who made any declaration in favor of any candidate for the Presidency would be dismissed from the service. General Serrano, the third candidate, has outlined the following platform: separation of Church and State, freedom of the press, no retroactive application of the petroleum laws, welcome to foreign capital, a policy of friendship toward all Spanish-speaking countries and the establishment of relations of sincere friendship, understanding and cooperation with the United States, protection of labor while safeguarding the rights of employers, and the prevention of "pernicious foreign influences, especially those of a subversive character," in the Mexican labor movement.

A loan of \$2,000,000 to the Mexican Government by the International Committee of Bankers on Mexico was announced by the Mexican Treasury on July 28. This sum was used to complete the interest payments of \$9,611,901 on the Mexican foreign debt for the first six months of 1927.

Outrages against American citizens were the subject of frequent representations from the United States Government to that of Mexico during July. The attempted assassination and serious wounding of William E. Chapman, American Consul at Puerto, Mexico, was reported to the Department of State on July 18 by J. J. Sparks, British Vice Consul at the same port. In response to urgent representations made by United States Chargé d'Affaires Schoenfeld to the Mexican Foreign Office, the Mexican Government on July 19 deplored the attack and issued orders for the apprehension of the guilty parties. The kidnapping of Russell Johnson, the Amer-

ican superintendent of a mine of the American Smelting and Refining Company, was made the subject of representations to the Mexican Foreign Office by Chargé Schoenfeld on July 20. Schoenfeld was advised that Federal troops had been sent to run down Johnson's abductors. On July 27 it was reported that Johnson had been released, and two men, charged with being implicated in the kidnapping, were executed at Parral on July 30. Robert Howell, an American resident of Los Mochis, Sinaloa, was murdered late in July. On July 27 a Chinese, charged with the murder, was killed while attempting to break jail. This case was also the subject of urgent representations. In answer to a third note regarding the murder in June of Arthur Brewer, an American merchant at Guadalajara, the Mexican Foreign Office on July 20 advised that another message had been sent to the authorities at Guadalajara urging the apprehension and punishment of the murderer or murderers of Brewer.

Joseph De Courcy, *The New York Times* correspondent in Mexico City, was arrested and deported to Texas on Aug. 11. Though the Government refused an explanation, Mr. De Courcy learned indirectly that Colonel Tejada, Minister of the Interior, had become incensed at the publication by *The Times* of a Mexican circular calling for an official boycott of the United States, and that he had also resented the exposé by *The Times* of the theft of American State documents from the Embassy.

Mexican affairs and recent Mexican-American relations were subjects which inspired considerable discussion at the Fifth Pan-American Labor Congress which opened its sessions in Washington on July 18. President Green of the American Federation of Labor placed his organization on record as being "unalterably opposed to the interference of our Government or any other Government in the political and domestic affairs of any other nation on the American Continent." He also declared that his organization's opposition to the prospective use of arms against Mexico by the United States in connection with the controversy over the petroleum law had "resulted in helping, at least, to maintain friendly relations between our Government and the Republic of Mexico." Luis Morones, the Mexican Minister of Industry, Commerce and Labor, Vice President of the Pan-American Federation of Labor, and President of the Mexican Federation of Labor, indirectly answered recent charges

that Mexico was "red" when he denied that any country affiliated with the Pan-American Federation found inspiration in Russian quarters. The report of the Executive Council summarized efforts since June, 1925, of the council and officers of the federation, headed by President Green, to prevent military intervention in Mexico and a lifting of the embargo on arms, "thus making a civil war in Mexico possible." It "indignantly" denied that the Mexican Federation of Labor was Communistic, and at the

closing session of the Labor Congress on July 23, the Mexican Federation of Labor was commended for its resistance to the "overt and insidious activities of the Communist propagandists." Another resolution states that "the relations between the American and Mexican Federations of Labor have been such as to promote the welfare of the masses of the people of both countries and such as to exert a powerful influence upon the governmental and diplomatic relations between the two countries."

## EVENTS IN NICARAGUA

**A**FTER the seizure in June of American-owned mines by the Nicaraguan rebel General Sandino and the appeal of the owners to the American Legation, serious friction developed in July between American naval forces in Nicaragua and rebels under Sandino, who were unwilling to accept the Stimson terms of peace. On July 12 Major Hatfield of the United States Marine Corps notified General Sandino that in case he did not lay down his arms at El Ocotal, a small town about 110 miles north of Managua, by 8 o'clock of the morning of July 14 he would be attacked by joint Nicaraguan and American forces. General Sandino refused to accede to Major Hatfield's ultimatum and defied the latter to attack him, saying that he wanted "a free country or death." On July 16 Major Hatfield's detachment of 39 marines and a detachment of 48 of the Nicaraguan constabulary at El Ocotal were attacked by Sandino's forces, numbering 400 men. In the sixteen-hour battle that followed Sandino was repulsed and suffered a loss of over 300 killed and many wounded. American casualties were one marine killed and one wounded. Two-thirds of the rebel losses were inflicted by bombing and machine-gun attacks made by five United States airplanes despatched from Managua. On July 26 a skirmish occurred about twenty miles from El Ocotal between Sandino's forces and United States marines and Nicaraguan constabulary. One marine and several of the constabulary were wounded. The following day a United States plane made a machine gun and bombing attack on Sandino's force, killing six and wounding thirty others.

The conflict was the inspiration for a vigorous renewal of unfavorable criticism of the Nicaraguan policy of the United States Government. On July 15 President Green of the American Federation of Labor,

notified Secretary of State Kellogg that delegates of the Nicaraguan Federation of Labor to the Fifth Pan-American Labor Congress had telegraphed that American marines in Nicaragua were threatening to attack Nicaraguan forces and added that the officers and members of the Pan-American Federation of Labor were deeply concerned because of the exceedingly disturbed conditions which existed in Nicaragua. Three days later Salamon de la Selva, Nicaraguan delegate to the Labor Congress, declared at the opening meeting that the "war is on" and that unless the marines left Nicaragua they would "have to destroy the entire population." A resolution of protest against the "presence and activities" of American marines in Nicaragua, and against "any interference on the part of the United States Government in the affairs of the Nicaraguan people," was offered by the Nicaraguan delegates, De la Selva and Sáenz, but failed of adoption in the resolutions committee. However, on July 21 the Congress by a rising vote unanimously approved a resolution that "the people of Nicaragua have been the unfortunate victims of a foreign intervention which has caused not only internal suffering but internal difficulties"; petitioned the United States Government to effect an "immediate withdrawal of United States forces on land, sea and air" from Nicaragua, and deplored the recent "tragic events . . . said to have occurred on account of the intervention decreed against that free country." A second resolution denounced arrangements alleged to have been agreed to with President Diaz of Nicaragua under which, it was charged, New York bankers would secure complete control of Nicaragua's finances. Aside from the action of the Labor Congress many other criticisms of the United States' Nicaraguan policy—some of them extremely bitter—were voiced in Nicaragua, the United States and Europe. In a letter to

President Green of the American Federation of Labor on July 18 Secretary of State Kellogg reviewed events leading up to the El Ocotal incident and characterized Sandino's forces as "nothing more than common outlaws" who "do not have the support or approval of any of the leaders of either of the political parties of Nicaragua." The

same day General Moncada, former Liberal Generalissimo in Nicaragua, placed full responsibility for the engagement upon Sandino, who, he said, "preferred to gather together a band of bandits and assassins" and create disorder rather than to "lay down his arms and return to peaceful pursuits."

## SOUTH AMERICA

# Government Finances in South America

By HARRY T. COLLINGS

PROFESSOR OF COMMERCE, UNIVERSITY OF PENNSYLVANIA;  
CURRENT HISTORY ASSOCIATE

OUTSTANDING problems of the past year in the South American republics have been connected with the balancing of national budgets. Government expenses have risen and many sources of national income have yielded decreased revenues, thus failing to meet these expenditures. To the widening gap between income and outgo in national treasuries may be ascribed the political unrest in Argentina and Brazil, the forced resignation of two Presidents in Chile, and the growing dissatisfaction with taxation laws in these and neighboring republics. Financial missions have been drafted to solve the dilemma, income taxes and other means of increasing national revenue have been sought, but the balancing of national budgets still remains the problem of the hour. So vital is the question to the relations between the United States and Latin America that the Department of Commerce is issuing a series of bulletins with the purpose of presenting in brief form the statistical side of the public finances of the twenty Latin-American republics; the first of these, dealing with the finances of Argentina, Uruguay, Paraguay and Brazil, appeared in August. Since our investments in South America total nearly \$2,000,000,000, domestic finances of these countries vitally concern us.

The Constitution of Argentina requires that the Chief Executive submit to Congress each July the Administration estimates and proposals pertaining to national revenues and expenditures for the following fiscal year. Accordingly, President de Alvear presented in July his preliminary estimates for the budget of 1928. This document as read to the lower house (Chamber of Deputies)

showed that the Government's income during 1926 was 610,417,000 paper pesos (a peso is approximately \$0.42), and its expenditures 609,617,000. The surplus of 800,000 pesos is subject to reduction by Congressional authorization to cover expenditures of 1926, still outstanding. Recent years have witnessed an almost uninterrupted succession of deficits, due primarily to the failure to develop new sources of revenue to keep pace with expanding expenditures. Discussion of the Argentine budget, as of other budgets, is frequently affected by political rather than economic considerations, and the Legislature commonly authorizes expenditures in excess of revenues anticipated by the Government. However, President de Alvear is endeavoring to alter this condition. Argentina heads the list of South American countries with an estimated per capita wealth in 1926 of \$1,442, while the per capita debt is \$93.90 (1926), the highest in South America except in Uruguay, where it is \$127.50.

The financial history of Brazil shows an almost uninterrupted series of deficits. Budget figures for the thirty-six years of the Republican régime show a credit balance for only nine years. However, deficits for the last five years have been greatly reduced (from approximately \$53,500,000 in 1922 to \$3,900,000 in 1926). President Washington Luis is exerting every effort to balance the budget for 1928, in which the estimated expenditures total 114,573 gold contos (approximately \$62,556,858), and 1,421,937 paper contos (approximately \$170,632,440); receipts do not meet expenditures, so that a deficit of 30,000 gold contos appears. The budget message states that





UNCLE SAM AS SEEN BY LATIN AMERICA  
—Critica, Buenos Aires

the Minister of Finance expects to wipe out the latter by new sources of revenue and more efficient collection of existing taxes. As is usually the case in new and sparsely settled countries, tax collection is sporadic. Tax statistics for the various States of Brazil show that during 1925 and 1926 the per capita amounts collected under the new income tax were five times as high in the Federal District as in the Sao Paulo area, the chief commercial section of the republic. Part of this difference is certainly due to better collection methods in the Federal District, although the attraction of wealth and industries to the capital of the country makes the taxable incomes there much greater proportionately than in the other States.

Distressing conditions have prevailed in the Chilean Treasury since 1920, chiefly due to curtailment of revenue from the export tax on nitrate. For some years previous to the World War, and especially during that conflict, the export tax on this product netted the National Treasury more than

half of the funds necessary to meet Government expenditures.

Starting 1926 with an accumulated deficit of 144,600,000 pesos (a peso is approximately 12 cents) the original draft of the budget for that year increased this deficit to 445,340,000 pesos. Radical revision was necessary, and 100,000,000 pesos were eliminated from the proposed expenditures. Reorganization of the civil service with smaller personnel and reduced salaries saved an additional 60,000,000 pesos; but the Government receipts and expenditures still did not balance, and the present year began with an accumulated deficit of over 200,000,000 pesos. In the budget for the present year an attempt was made to follow the terms of the Organic Budget law which went into effect last year, and the result was an unbalanced budget for 1927. After a long controversy between the Chief Executive and Congress as to the legality of their respective procedures, a balanced budget was obtained. This has been revised by the present Ibañez Government so that a surplus of 20,787,518 pesos now appears on paper. Should the present régime succeed in adhering to these figures, Chile, for the first time in many years, will close a fiscal year without adding to its deficit.

Newspapers of South America have devoted much space to comments on the Sacco-Vanzetti case, varying from approval of the sentence as fair to condemnation of the procedure as "class justice" and "legal assassination." The protests were most numerous where labor organizations are strongest and radicalism most active, viz.: in Argentina and Uruguay. A general protest strike of factory and shop workers, dock laborers, chauffeurs and others took place on Aug. 5 in Buenos Aires, Rosario and other large Argentine centres, and on Aug. 10 in Montevideo, Uruguay. Demonstrations of disapproval also took place in Brazil, Paraguay and Ecuador. American Embassy buildings and consulates were guarded by police after the statue of George Washington in Buenos Aires was bombed on July 22. However, there was no official action with the exception of a protest "in the name of the City of Rio de Janeiro and American culture and civilization against the execution of Sacco and Vanzetti" unanimously adopted by the Municipal Council.

The longest distance ever attained in radio telephoning—a stretch of 7,500 miles—was achieved on Aug. 3, when wireless telephone connection was successfully inaugurated between Berlin and Buenos Aires.

## OTHER EVENTS IN SOUTH AMERICA

**BOLIVIA**—Reports on Aug. 12 stated that 80,000 descendants of the ancient Inca Indians were on the warpath in the Departments of Potosi, Cochabamba and Sucre, slaying whites, burning farmhouses and endeavoring to destroy every vestige of the white man's civilization. When this article went to press the Government was endeavoring to quell the insurrection.

**BRAZIL**—In his message to Congress in July President Washington Luis brought out some interesting comparisons in reviewing the progress of the Republic since its inception in 1889. Population has more than doubled; railroad lines have increased from a few kilometers to more than 30,000; telegraph lines have quadrupled their mileage and agricultural production and export trade have increased fifteen fold.

A law for the suppression of communism in Brazil was approved by the Chamber of Deputies on July 29 by a vote of 118 to 18. Sponsors of the new law maintained that the Third International had spent thousands of dollars on communistic propaganda in Brazil.

**CHILE**—Colonel Carlos Ibañez was inaugurated as President of Chile on July 21, having been elected to this office in the general elections held last May. Harmony between the Chief Executive and Congress now seems assured. Lack of it has forced the resignation of two Presidents since 1924 and blocked legislation. During July and August Congress worked rapidly. Loans have been authorized and

new laws passed governing petroleum production and restricting insurance to Chilean companies having at least two-thirds of their shares held within the country.

**PERU**—President Leguia in his opening address to the Peruvian Congress stated that the existing emergency tariff features will be retained in the proposed new tariff bill, since they have benefited both exchange and home industries. Final figures, presented by the President, on Peruvian foreign trade in 1926 showed the usual favorable balance. Much space in the message was given over to a reply to Chile's recent pronouncement on the Tacna-Arica situation. Five days before Congress convened the Peruvian Cabinet resigned, but President Leguia refused to accept the resignations, saying he was satisfied with the work of the Ministry.

**VENEZUELA**—In closing the session of Congress July 17, President Gomez of Venezuela paid high tribute to the accomplishment of the legislative bodies. During the session they approved a budget for the coming year, enacted a new tariff law and placed on the statute books several acts looking toward the advancement of agriculture in Venezuela.

The new tariff law, promulgated on July 20, contains few radical changes and is intended for increase of revenue rather than for greater protection. General trade depression still continues throughout the country and considerable apprehension is felt for the next coffee crop, which is reported damaged by the floods.

## THE BRITISH EMPIRE

## British Princes and Premier Visit Canada

By RALSTON HAYDEN

PROFESSOR OF POLITICAL SCIENCE, UNIVERSITY OF MICHIGAN;  
CURRENT HISTORY ASSOCIATE

**O**F more than passing significance during the month in the British Empire has been the visit to Canada of the Prince of Wales, Prince George and Prime Minister Stanley Baldwin. The presence of the King's eldest and youngest sons and the British Premier in the Dominion and the warmth and pageantry of their reception

were striking expressions of the ties of sentiment which unite the British peoples.

Welcomed at historic Quebec on July 30 by Canadians of both British and French ancestry, the party proceeded to Montreal and Ottawa, where the most important addresses of the journey were made. The speech of the Prince of Wales at the State

banquet in the Parliament building brought home to Canadians, and to the world, the enhanced importance of the Crown in the new imperial structure. After giving his conception of the Empire as an association of autonomous communities all loyal to the Crown, he declared that "the Crown stands above all distinctions of country, race or party and serves to mark the unity in which all such differences are transcended."

In his address upon the same occasion Prime Minister Baldwin, discussing the constitutional relations which were the subject of the Balfour report, said:

This formula [of inter-imperial relations] is founded on two principles—the essential equality of status of all of the self-governing parts of the British Empire and of the unity of the whole Empire under the Crown.

We are a practical people, and granted that our status is clear, what we all want to know is how best we can carry on the everyday work of running not only our own countries, but the British Empire. The view

of the Imperial Conference was that no part of the Empire should henceforward act in external affairs which are likely to affect the Commonwealth without counting first what effect its own action might have on other parts of the Empire and without giving those other parts a chance to express their views. \* \* \* I confess that I look on this consultative method of conducting external relations with more than individual interest as one of the most interesting and hopeful experiments in that great laboratory of political experiments, the British Empire.

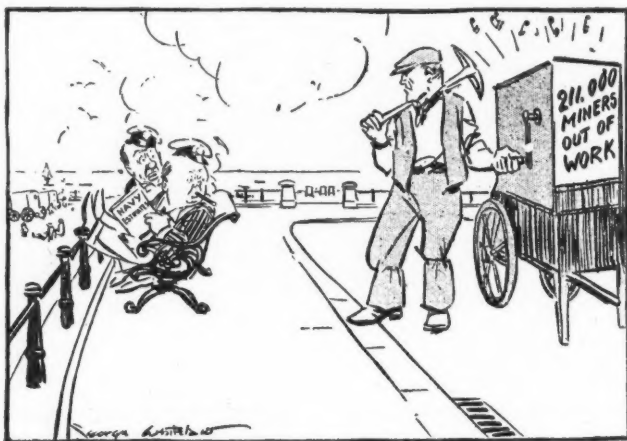
On Aug. 3 the Prince of Wales dedicated the Memorial Chamber in Ottawa to 60,000 Canadian war dead. Four days later the two Princes and the Prime Minister joined with Vice President Charles G. Dawes, Secretary of State Frank B. Kellogg, Governor Smith of New York and Prime Minister Mackenzie King of Canada in dedicating the new international bridge between Buffalo and Fort Erie. The party then left to visit the West.

## OTHER EVENTS IN THE BRITISH EMPIRE

**G**REAT BRITAIN—Parliament having ended the session on July 29, the month was a quiet one politically in Great Britain. The Trade Disputes Bill, which finally passed both Houses, continued to be denounced by representatives of the trade unions and of the Labor Party. Ernest Bevin, General Secretary of the Transport and General Workers' Union, announced officially that the union would make no amendment to its rules nor accommodate itself to the provisions of the act in any way. The union would continue its policy of amalgamation and grouping in violation of the law and, if a crisis came, it would face all the legal consequences. This statement, and others of like tenor, were taken to indicate that the unions would carry their fight against the bill into the industrial arena and the courts.

Speaking at a Lord Mayor's banquet at the Mansion House on July 12, Chancellor of the Exchequer Winston Churchill drew an encouraging picture of Great Britain's financial and business situation. Mr. Churchill expressed satisfaction that the country should have come through the troubles of the past three years without any reimposition of the

taxes which had been taken off, without any burdening of the necessities of public consumption, without any impairment of the British exchange and with a very large sinking fund. "All industries of the country are at work," the Chancellor declared. "Although unemployment continues at the grievous figure of about a million, we must not forget that in three years 750,000 more people have come into employment through the growth of the population and other causes, and that there are actually 900,000 more people working tonight than there



Winston Churchill (Chancellor of the Exchequer): "Dash it! There's that man again!"

—John Bull, London



were three years ago." Trade had improved and the financial position was stable, Mr. Churchill concluded.

Other events worthy of mention were the death on July 24 of Brig. Gen. R. E. H. Dyer of Amritsar fame; a week of "air war" over London which was declared to have shown the aerial defences of the metropolis to be inadequate; the release from prison of Horatio Bottomly, former member of Parliament and newspaper editor, and the conference of the Miners' Federation at which Communist principles and methods were denounced and repudiated.

**IRELAND**—On Aug. 4 the Dail Eireann passed two Government bills intended to deal with the situation growing out of the assassination of Kevin O'Higgins, Vice President of the Free State, and with the political attacks of Eamon de Valera and his followers upon the integrity of the nation. The Public Safety bill greatly increases the power of the Government in dealing with attempts against the safety of the State or the lives of officials, and suspends the constitutional rights of free assembly and free speech. The electoral amendment compels all candidates for Parliament to pledge themselves beforehand to take the oath of allegiance to the Crown in case they are elected. The measure was designed to block possible attempts of the Republican members of the Dail to seek vindication for their refusal to take the oath and thus qualify for their seats by running again in their respective constituencies. However, on Aug. 10, the forty-five Republican Deputies announced that they would take the oath and their seats, which they proceeded to do on Aug. 11. This was more or less of a political bombshell, as it put the Cosgrave Government in the minority. On Aug. 12, moreover, Thomas Johnson, leader of the Labor Party, gave notice that a vote of no confidence would be moved on the 16th. When this article went to press, a Labor Cabinet was predicted as a probable result.

**CANADA**—In an exchange of diplomatic notes made public on July 16, Canada declined to accept the invitation of the

United States to join with this nation in concluding a convention providing for the immediate development of the St. Lawrence waterway from the Great Lakes to the Atlantic Ocean. Canada, in effect, declared that it could not determine its policy until its Government had received the report of the national advisory committee appointed to study the economic aspects of the proposed waterway. This report, in turn, cannot be finally prepared until the joint engineering board has rendered its opinion upon the construction problems involved.

The Bureau of Statistics announced on Aug. 3 that the population of Canada is now 9,389,300.

**AUSTRALIA**—Prime Minister Bruce announced on July 8 the proposed appointment of a Royal Commission to inquire into the constitutional powers of the Commonwealth, review the working of the Federal Constitution and make recommendations for its revision. The commission, Mr. Bruce stated, will particularly examine into the constitutional aspects of the following matters: Aviation, company law, health, industrial powers, judicial powers, navigation law, taxation, trade and commerce, the Interstate Commission and the admission of new States. Proposed amendments are first to be submitted to the Commonwealth Parliament and subsequently to a popular referendum.

**INDIA**—A renewal of rioting between Mohammedans and Hindus in the Punjab resulted in the death of more than twenty persons and the injury of many others. The antipathy between the two communities was also reflected in the legislature of the Province when both parties made evident their distrust of the Indianization of the public services if Indianization meant the employment of officials of the opposite faith. On Aug. 5 it was reported that thirteen persons had been killed and thirty wounded in a serious communal riot 250 miles northwest of Calcutta. The trouble was caused by Mohammedan obstruction of a Hindu procession.



# France Adopts Bill for Electoral Reform

By CARL BECKER

PROFESSOR OF HISTORY, CORNELL UNIVERSITY;  
CURRENT HISTORY ASSOCIATE

ON July 13, when the Legislature adjourned for the Summer holidays, the Poincaré Ministry of National Union appeared to be as firmly entrenched in power as at any time since its formation last July. During the past month the Premier succeeded, in the face of considerable opposition, in carrying through the Chamber bills for the reorganizing of the army, the revision of the civil list and electoral reform. The army bill (voted July 11) provided for a reduction of the term of service to from eighteen months to one year. The civil list bill, of slight importance in itself, was the measure which gave the Premier most difficulty. All agreed that the Government employes should receive more pay on account of the rise of prices; but the Left groups insisted that the increase should be made retroactive from August last, while the Premier insisted that, however desirable this might be in principle, the funds at the disposal of the Government did not permit it. Defeated in the commission, the Premier threatened to make the issue one of confidence, whereupon the Radical-Socialists rallied to the support of the Ministry and the law was passed July 11 by a vote of 347 to 200.

The measure of chief importance during the past month was the adoption of the Government bill for electoral reform (voted by the Chamber July 11, by the Senate July 13). The new law provides: (1) That the country shall be divided into 612 election districts, one member of the Chamber of Deputies being elected to represent each district; (2) that on the preliminary ballot a candidate, to be elected, must receive an absolute majority of all the votes cast and a number of votes equal to at least one-fourth of the number of voters inscribed on the district list. On the supplementary ballot, if one is necessary, a nominal majority is sufficient for election. The new law thus abolishes the system of election by general ticket in each *Département*, together with the system of proportional representation which was engrafted upon it, and establishes the system of single districts for each representative.

Thus once again France has abandoned the *scrutin de liste* for the *scrutin d'arrondissement*. Those who are familiar with the history of the Third Republic will not be greatly surprised, for the change from one system to the other has occurred several times. [*Scrutin de liste*, 1870-1875; *scrutin d'arrondissement*, 1875-1885; *scrutin de liste*, 1885-1889; *scrutin d'arrondissement*, 1889-1919; *scrutin de liste*, 1919-1928; *scrutin d'arrondissement*, 1928—.] In this seeming madness there has been a certain amount of method. Since 1870 France has been one of the most conservative countries of Europe, yet it is a country with a strong revolutionary tradition and at the same time with a royalist tradition, strong in the early days, less strong in recent years. The Third Republic was established by the middle groups against the extremes; and generally speaking the country has since been governed by the middle groups, veering a little to the Right or to the Left as occasion might seem to indicate. Now the district system of election (*scrutin d'arrondissement*) is regarded as the more democratic system, since it brings the representative into closer control of the constituency, tends to break up large parties into small groups, to weaken the Administration and so to diminish the danger of concentration of power and the always possible *coup d'état*. The general ticket system (*scrutin de liste*) favors the combination of groups, the formation of cartels and blocs, strengthens the Government and lends itself to the consideration of large national questions. The general ticket system is thus regarded as the better one from the point of view of national interests, but the less safe one from the point of view of maintaining the republic.

It cannot be said that the republic is in any serious danger at the present time, perhaps; but the adoption of the *scrutin d'arrondissement* is probably a reflection of the disillusionment that followed the high emotional tension of the war. Many European countries have submitted to dictators. The present Ministry asked for and was temporarily given extraordinary powers. Above all, the *scrutin de liste*, during

the last eight years, has facilitated the building up of two main groups, the Left cartel and the Nationalist bloc, each of which aims to carry the Government in a direction which the other regards as menacing, either to stable government or to democratic principles. For a year the Ministry of National Union, formed for the specific purpose of settling the financial question, has been based upon a supposed union of all parties; but its chief problem in political tactics has arisen from the difficulty of keeping these two hostile groups in line. Many have therefore favored a return to the *scrutin d'arrondissement* in the expectation that it would tend to dissolve the cartels and blocs, and simplify the problem of maintaining a government resting upon no party but upon a shifting and manageable alliance of those who represented the safe and moderate sentiment of the nation. Nevertheless, the chief support of the measure came precisely from the Left cartel of Radical-Socialists and Socialists. Undoubtedly these parties hope to profit from the measure; and they have supported it in the expectation that it will bring the representatives closer to their constituencies and prevent what seems to them no less than a scandalous anomaly—the maintenance of a Government which cannot exist without their support, but which manages somehow to solve the crucial question of finance by methods which are opposed to all their principles and traditions. Whether the new electoral law will effect a dissolution of the Left cartel or consolidate its power remains to be seen.

On July 22 a formal luncheon was given in honor of Premier Poincaré and as a recognition of what he has accomplished since his Government was formed one year ago. During that year the franc has been raised from 49 to the dollar to 25 to the dollar. The Treasury has reduced its borrowings from the Bank of France by nearly eleven billions and the circulation of notes by more than two billions. The floating internal debt has been consolidated in such a fashion as to relieve the Government of immediate difficulties. Foreign creditors, notably the United States, Great Britain, Switzerland and Holland, have been paid on account some six billions. The Bank has acquired a fund of more than

twenty-three billions in foreign exchange and something over two billions in gold and silver. The cost of administration has been reduced about 20 per cent. This represents the achievement of the Poincaré Ministry within the year. There are many who wonder why the Premier does not now proceed to a legal stabilization of the franc. Two members of the Government, M. Tardieu and M. Bokanowski, are said to be in favor of immediate stabilization at 126½ francs to the pound, and important banking and business interests have expressed themselves as favorable to the proposal.

Meantime, in a speech at Orchies, July 24, the Premier announced that the work of the Ministry of National Union had only just begun and that he would fight to prolong that Ministry against both Right and Left. What maintains the Ministry against these opposing groups is the immense prestige it has acquired by its success in the realm of finance. As long as there is, or seems to be, a "financial problem," no party is likely to assume the responsibility of overthrowing a Premier who alone seems to know how to deal with it successfully. Legal stabilization would apparently dispose of that problem. Premier Poincaré is undoubtedly aware that the best way of fighting to maintain the Ministry of National Union against both



THE WOOD-CUTTER AS GARDENER

Briand (watching Poincaré): "He was to pluck a palm leaf and now he is chopping down the whole tree."  
—Kladderadatsch, Berlin



Right and Left is to delay stabilization and thus postpone the time when it can be said that the task for which the Ministry was formed has been completed.

## EVENTS IN BELGIUM

THE recall of Marquis Negrotto, Italian Ambassador to Brussels, by the Italian Government on June 21 as a protest against the extreme anti-Fascist attitude of Emile Vandervelde, Foreign Minister, was a fertile source of discussion during the month.

The rift between Mussolini and Vandervelde is a personal one of long standing, according to the latter's statement to the Chamber of Deputies. M. Vandervelde's attitude received the full support of the Chamber.

Another "diplomatic incident" during the month was an interchange of notes between Belgium and Germany as a result of Belgian official criticism of the management of the German Reichswehr. The German reply was evidently satisfactory, as the matter was dropped without comment after a few days.

## GERMANY AND AUSTRIA

# The Vienna Riots and Austria's Problem

By HARRY J. CARMAN

ASSOCIATE PROFESSOR OF HISTORY, COLUMBIA UNIVERSITY;  
CURRENT HISTORY ASSOCIATE

THE usually peaceful, pleasure-loving city of Vienna was rocked to its foundations during the second week in July by riots which, for a time, threatened to engulf the Austrian Republic in civil war. For three days the city was in a state of chaos. Scores were killed in street clashes, hundreds were wounded, police quarters were wrecked, the Ministry of Justice Building was burned and valuable records destroyed, and business was completely paralyzed by a general strike. Property damage alone amounted to approximately \$35,000,000.

The immediate cause of the outbreak was the acquittal, on July 14, of three Austrian Fascists who had been accused of the murder of two Socialists—a war cripple and his young son—in a fight in the Burgenland last February. Throughout Austria the opinion prevailed that the accused were guilty and the verdict, therefore, was greeted by a storm of protest which quickly took the form of a frenzied demonstration before the Ministry of Justice. The adverse court verdict, however, merely set fire to the deep-seated unrest of the Austrian masses—an unrest that has been growing with extraordinary rapidity during the last nine years and which is to be accounted for by three basic factors.

In the first place, Austria with her 6,500,000 people is severely handicapped economically. Politically and culturally the old empire of the Habsburgs was a hodge-podge of divergent national groups held together in part by the force of tradition but

mainly by cohesive economic factors. Tariff barriers did not exist within the boundaries of the empire any more than they do within the United States today. Austria proper drew grain from Hungary, coal and iron from what is now Czechoslovakia, sending them in return manufactured goods. With the disruption of the Dual Monarchy all was changed. Austria, reduced to one-eighth of its former area and population, is now hemmed in on three sides by unfriendly countries across whose borders it is obliged to import many of its raw materials, and has to face practically prohibitive tariffs for its exports. The result has been partial industrial paralysis, unemployment, and financial sickness, alleviated somewhat by the efforts of the League of Nations. Secondly, Austria, like many of her Western neighbors, is torn between the forces of progressivism and reaction. No other country in the world boasts as strong a Socialist Party in proportion to its population. In the general elections held last April the Socialists polled in the entire country 1,536,000 votes, nearly 43 per cent. of the total national vote and an increase of 225,000 as compared with 1923. The Communists polled a total of only 70,000 votes, a loss of 20,000 since 1923, and they have no seats in Parliament. The first press reports erroneously attributed the riots in Vienna to the Communists, but nothing could have been further from the truth. In the City of Vienna, with a population comprising more than a third of the total population of the Republic, the Social-

ists polled 694,000 votes, more than 62 per cent. of the entire city vote. The Viennese Municipal Government is controlled by them and under their régime many reforms have been consummated. During the last five years, for example, they have built 25,000 homes for workingmen; Vienna's child welfare work is unequaled anywhere in Europe, infant mortality having been reduced from 16 per cent. before the war to 8 per cent. Tuberculosis, so prevalent under the Habsburg régime, has also decreased notably. Most significant of all, the Socialist Administration has completely reorganized the taxation system, so that today 791 capitalists are paying annually a combined tax equivalent to the total contributed by the other 490,000 tax-paying citizens.

Naturally, such legislation, burdensome to capital, arouses the ire of the bourgeoisie. The Austrian Government in power as a result of the last general election is a coalition of bourgeois parties, Christian-Socialists and Pan-Germans, with Mgr. Seipel (Christian-Socialist) as Chancellor. In Parliament the Government has a majority of twenty-three seats over the Socialist opposition, primarily because of bourgeois strength in the country provinces of the republic. The Government's program, which favors bourgeois interests, has been repeatedly thwarted by the Socialists who, by clever manoeuvring, have succeeded in keeping practically every important bill blocked in committee. Meanwhile, they have repeatedly demanded that the Government resign office. Chagrined by the Socialist opposition, many of the bourgeois leaders have turned to Fascism as a possible way out of their difficulty. Throughout the country Fascist militaristic organizations, such as the Helmswehr, have accordingly been organized. The Socialists allege that Fascist terrorists and the old imperial bureaucracy, which is still firmly entrenched in the Austrian judiciary, are working hand in hand. The acquittal which precipitated the recent riots, they assert, was only one of a long series of cases where guilty Fascist terrorists were whitewashed by a reactionary judiciary. Whether such an alliance exists or not, it is certainly true that the Socialists firmly believe that it does, and on every hand they have sought to expose it. The Schutzbund, the Austrian Republican Defense League, was organized by the Socialists to defend the republic against the activities of the Fascist Helmswehr and other reactionary groups, and skirmishes, physical and other-

wise, between the two groups have occurred with increasing frequency during the last few years.

While the Seipel Government weathered the recent storm and the Socialists apparently suffered a temporary setback, the international repercussions caused by the riots have made all parties in Austria realize that the salvation of the Republic lies in domestic tranquillity. Moreover, those who are sincerely interested in maintaining peace in Europe are more impressed than ever before with the fact that something must be done to relieve Austria economically. Thus far two worthwhile proposals, both of which antedate the recent disturbances, have been made, namely, the creation of a federation of free States in the Balkans and the union of Austria and Germany.

The Balkan federation scheme, which was warmly advocated by the progressive elements of Southeastern Europe and other parts of the world when the old Habsburg State fell to pieces, was defeated by ardent Balkan nationalists and by those Allied statesmen who had in mind the creation of the Little Entente for the sake of maintaining French balance of power in Europe. Such a federation would have given Austria the foodstuffs necessary for its existence and the markets required for its industries. The high tariff walls since built up by Hungary, Poland, Czechoslovakia, Yugoslavia, Rumania and Austria itself for the protection of their "infant industries" would not have been erected. And, most important of all perhaps, the creation of such a federation would have laid the basis for economic and political tranquillity in Central Europe. As it is now, the entire area is a fertile seedbed for both national and international disturbance. At the present moment there seems to be little inclination on the part of the Secession States either to lower their tariffs or to join hands in erecting some sort of Danubian Zollverein or economic federation. Italy, moreover, for quite obvious reasons, strenuously opposes any sort of Danubian federation, economic or otherwise.

The proposal for Austrian union with Germany, long advocated by the Pan-Germanists of both countries, is gaining ground rapidly despite the fact that the Treaty of Versailles expressly forbids the *Anschluss* (union) of the two countries, except with the consent of the League of Nations Council. President Loebe of the German Reichstag is firmly behind the movement, and all parties in Austria, while not actuated by

the same motive, favor union. The National Austrian Council has already adopted, with the consent of the Seipel Government, a unanimous resolution recommending to the Federal Government that it enter into negotiations for union with the Berlin Government. The former Allied

Powers, especially France, as well as all Austria's neighbors, except Hungary, view the *Anschluss* campaign with anxiety, for they realize that it will, in all probability, culminate in the upset of the Central European *status quo* and in the creation of a powerful "*Mittel-Europa*."

## EVENTS IN GERMANY

**THE** resignation of Chancellor Marx from the Republican organization, the Reichsbanner, on July 25, was unquestionably the outstanding event in German political circles during the period under review. The Reichsbanner, or the German Republican Defense Society, as it is sometimes called, is supposedly a non-partisan organization composed of members of all parties who stand by the republican form of government and the Weimar Constitution. In reality its 3,000,000 members are recruited almost entirely from three parties: The

Socialists, the Catholic Centre and the Democrats. It is by far the most powerful organization of its kind in Germany and has from its inception vigorously defended the republic against the assaults of the Steel Helmet League, the Young German Order, the Bismarckbund and other monarchistic and militaristic societies. Likewise it has opposed the anti-republican attacks of the Red Front Fighters of the Extreme Left.

When, therefore, two members of the Schutzbund, or Austrian Defense League, which exercises approximately the same functions in Austria as the Reichsbanner does in Germany, lost their lives at the hands of Austrian Fascists, and this in turn led to rioting and bloodshed in Vienna, it was natural that the Reichsbanner officials should take action. Accordingly Herr Hoersing, President of the Reichsbanner, issued a proclamation extending the sympathy of his organization to the Schutzbund and attributing the Vienna disturbance to the bad tactics of the police.

Chancellor Marx, accordingly, because of his official position and the possible consequences of a misunderstanding between the German and Austrian Governments, felt constrained to resign from the Reichsbanner, whose attitude toward the Austrian disorders he characterized as "unjustified interference in the political affairs of Austria and a serious disparagement and insult to the Austrian Government." Some observers voiced the opinion that the main reason why he resigned was that as political chieftain of the German Catholics he did not dare ignore such outspoken criticism of Mgr. Seipel, Austrian Premier and prelate of the Church of Rome.

As usual, the monarchist press jumped to conclusions. Jubilant over the Chancellor's action, it assumed that the Centrist Party would withdraw from the Reichsbanner, thus dealing it a death blow. On the contrary the Centrist leaders in the Reichsbanner decided that the party should remain in the organization. They intend to de-



### DAWES ETHICS

(Reparations Agent Gilbert states in his report that Germany can quite well bear the Dawes plan; it must just economize more.)  
The rich man to the poor Lazarus: "What, hunger and illness! Just be a better manager!"

—Kladderadatsch, Berlin



mand, however, that the Reichsbanner shall have at its head a commission composed equally of members of all parties belonging to it, and that no political demonstration of an extraordinary nature, such as Hoersing's pronouncement, shall in the future take place without the sanction of the commission.

According to official statistics, Germany's unfavorable trade balance of the present year totals nearly \$500,000,000. This figure, however, does not include deliveries in kind made under the Dawes plan. Imports of raw materials account for a large part of the adverse balance and the money which is spent now for these purchases will return in the near future from exported manufactured wares. In this connection it is interesting to note that German exports to Asia in 1926 were 69 per cent. more in value than in 1913; to Africa 15 per cent. more, and to North and South America 4 per cent. more. Figures indicate that German synthetic nitrogen products are rapidly replacing Chilean nitrate in the markets of the world.

The remarkable activity in German shipbuilding has continued and, according to recent data, there were under construction or ordered on July 1 more than 800,000 gross tons of ships and docks in twenty-seven German shipyards, compared with 600,000 tons in April and 300,000 in January.

The *Reichsarbeitsblatt*, official organ of the German Ministry of Labor, is authority for the statement that wages in twelve of the Reich's chief industries are on the whole lower than a year ago. Unemployment in Berlin has declined. The fully unemployed

in thirty labor unions in June were 6.4 per cent. of the members, against 18.3 in June, 1926. Three million people are practically homeless throughout Germany, it is announced in a statistical report recently published. The report points out that the Reich needs 600,000 apartments to house an equal number of families, consisting of four or five persons each. Erection of the necessary dwellings would require 30,000,000 marks (about \$7,500,000).

A commercial treaty between Japan and Germany, based on one in force before the World War, was signed in Berlin on July 20.

After rushing through the Tariff bill, which was passed after a stormy final session by a large majority, the Reichstag adjourned on July 9 for the Summer. Food Minister Schiele made a speech promising the reductions advocated by the Geneva Conference two years hence and defending the higher duty on foodstuffs as a necessity for the improvement of the condition of the agricultural classes.

German postal rates were increased by an average of 50 per cent. on Aug. 1.

The revenue from taxation in the first quarter of the current financial year was 1,926,000,000 marks, against 1,455,000,000 in the corresponding quarter of the preceding financial year. Despite this increase, the quarter's share of the estimated 7,750,000,000 revenue of the whole financial year is not quite reached.

The republican parties won a victory on July 7 and the German Government suffered a defeat when the Federal Council approved a proposal to make Aug. 11, the anniversary of the adoption of the Weimar Republican Constitution, a national German holiday.

## ITALY

# Labor and Economic Adjustments in Italy

By ELOISE ELLERY

PROFESSOR OF HISTORY, VASSAR COLLEGE;  
CURRENT HISTORY ASSOCIATE

**D**URING the last month Italy's new Labor Courts rendered their first decision. The particular case at issue, though not of importance as to the number of persons or the amount of money involved, was of decided importance as marking the inauguration of the special labor tribunals established by Mussolini as a part of the Fascist State. According to his plan, in the case of disputes between the Fascist

syndicates of employers and of employes which cannot be amicably settled, provision is made for appeal to Labor Courts. These Courts, after taking into consideration investigation made by experts, hand down a decision from which there is no appeal. The Court in this case was called upon to settle a dispute which had arisen between a confederation of agriculturists in Northern Italy and a federation of rice clean-



#### THE DUCE TAKE IT!

(Signor Grassi, the Fascist millionaire, has been deported to a small island. Is it now the turn of the capitalist? Says a Fascist official organ: "Not the law courts, but clubs which batter heads, will be appealed to against industrialists whose business is guided by selfish motives.")

Capitalist: "Take my money, Duce! but, oh, tell me, what is Bolshevism."

—Yorkshire Evening News, Leeds, England

ers. The controversy began over a contract signed last March but which did not take effect till June. After a few weeks' work the agriculturists tried to force the workers to accept a 30 per cent. cut in wages, contending that the revaluation of the lira made it impossible to maintain the rate agreed upon. The workers, on the other hand, declared that their wages were already too low to permit them to accept so large a reduction, but that they would consent to take 60 centesimi less an hour. This offer was refused and the workers appealed to the Labor Court. The Court was thus called upon to decide whether the revaluation of the lira constituted such a fundamental change in the conditions on which the contract had been based as to render it null and void. After consultation with experts the Court decided that the contract was not void, and at the same time accepted the workers' offer. The Court further ordered the land owners to pay on that basis and also to make up the arrears. This decision is significant in connection with the general problems of deflation. It is naturally more pleasing to the workers than to the employers, who had hoped that the Labor Court would approve a general cut in the wages of all agricultural workers. It is hailed, moreover, as an evidence of the success of Mussolini's plan for permanent industrial peace.

Evidence of progress along the same

line is reported in the contract between the miners and mine owners of the Island of Elba. It follows the lines of the "Charter of Labor," providing, on the one hand, for indemnity in case of unjustified dismissal, for accident insurance and for the guarantee of certain conditions of work, and on the other, laying down the obligation to refrain from all forms of class warfare, including the strike. Much is made of the free acceptance of these stipulations, but it is to be remembered that they are all part of Italian legislation and therefore obligatory. Another labor contract was concluded at Cremona between a group of employers and members

of the Fascist trade unions. The Cremona employers agreed, when engaging new personnel, to give preference to workers belonging to the Fascist syndicates. The contract also provides, in undertakings requiring continuous work, for a six days' paid vacation every year and for re-employment of workers on their return from army service.

Legislation along other lines has given encouragement to the support of the Fascist régime. An instance in point is the extension to Italians residing abroad of the benefits of certain pensions. These pensions are granted to Italians who are wounded, maimed or killed "for national causes." This has been interpreted to include those injured by anti-Fascists.

On the other hand, the rigor of the Fascist Government in dealing with Italians who engage in anti-Fascist activities abroad was evidenced in the case of Mario Chiossonne. This man had apparently been sent back to Italy by the immigration authorities of the United States. On his arrival in Italy he was arrested by the Italian police and charged with anti-Fascist propaganda in America. The chief evidence against him was a letter in which he is reported to have declared that to return to Italy would mean that he would be murdered by the Fascisti, that the Fascist Government offered prizes to any one who killed persons opposed to its policies and

that more than 1,000,000 Italians had fled abroad to avoid persecution. It was also contended that before emigrating to America he had been condemned for theft, and that while in America he had associated himself with anti-Fascist elements. In spite of his retraction of the letter and his protestations of loyalty to Fascism he was found guilty by the Court of spreading false reports about Italy and of offenses against Fascism and Mussolini, and was condemned to 12 years, 6 months and 12 days' imprisonment, with three years more under special police control.

Fascist rigor was also evidenced in the severe measures taken against landlords who tried to evade the recent decrees fixing the maximum rental of apartments and shops. A Roman landlord, for instance, who was found guilty of exacting exorbitant rents from his tenants was condemned to four years of forced domicile. The severity of the sentence was held to be justified by the flagrant character of his offense. He had rented a plot of ground for 2,250 lire annually, which he sublet for 48,000 lire to numerous families who lived in wretchedness in miserable and insanitary huts. Three landlords in Turin were also convicted of violating the housing laws, two of three, Luigi Grassi and Giovanni Crovella, being condemned to forced domicile for two years, and the third to two years' "admonition." "Forced domicile" means exile to a penal settlement often on an island or a remote village, where the condemned live under police control, frequently among the worst criminals, and in squalor and misery. Persons "admonished" live under police vigilance in their own homes, but are not allowed to leave the town or village or to be out of doors between sundown and sunrise.

#### EFFORT TO REDUCE PRICES

Meanwhile, the Government continued its efforts to reduce prices, especially among shop owners and retailers. When retailers were found who were making undue profits, various forms of punishment were inflicted, such as the closing of the offending shops for a certain number of days, a heavy fine or denunciation in the press. These measures, it is admitted, were not altogether successful. Wholesale prices which were subject to danger from foreign competition dropped with the revaluation of the lira; but retail dealers, far from show-

ing a conspicuous readiness to yield to the pressure of the Government, devised ways of circumventing the authorities, such as lowering the price of only inferior quality of foodstuffs, leaving the dissatisfied customer no choice but to pay the old price in order to secure a better article, or in the case of restaurants, by reducing the price, but at the same time offering a smaller portion. While such evasions were not open to landlords, the enforced reduction of rents was reported to have checked building activities and thus to have increased unemployment. As to the amount of unemployment, it is impossible to get trustworthy information.

It was reported that there have been serious faction fights within the Fascist ranks; further, that widespread suffering and therefore widespread discontent exist; but under the present repression of freedom of speech and of the press, the extent and significance of the divisions within the party and of the public discontent are difficult to determine. People suspected of opposition or merely of lukewarm attachment to Fascism are spied upon and even private conversation may be dangerous.

The Government recently made a further attempt to deal with the economic situation by a considerable tax reduction. Announcement was made on Aug. 1 that reductions had been authorized in railroad, freight and postal rates amounting to about \$62,000,000. At the same time Premier Mussolini informed the Cabinet that the Fascist Government, in its five years of office, had either abolished or reduced thirty taxes, representing a loss to the exchequer each year of almost \$136,000,000. It was stated, on the other hand, that only one new tax had been introduced by the Fascist Government—the tax on bachelors.

The whole history of the achievements of Fascism was set forth in what claims to be a complete collection of resolutions of the Grand Council of Fascismo from its first sitting after the Fascist revolution to the present time. To this volume Premier Mussolini has written a long preface in which he summarizes the victories of the past and predicts a glorious future.

King Fuad of Egypt recently paid a visit to Rome.

Matilde Serao, the Italian novelist, died at Naples on July 25 at the age of 71. She had won fame both as a journalist and as a novelist and a writer of short stories.



## The Passing of King Ferdinand of Rumania

By SILAS BENT

AUTHOR AND PUBLICIST

**F**ERDINAND of Rumania, during a turbulent reign of thirteen years, saw his kingdom doubled by the fortune of the World War, in territory, in subject population and in anxieties. At his death on July 20, 1927, the jeweled steel crown, fashioned from a Turkish cannon captured on the redoubts of Plevna, passed under a regency council to his 5-year-old grandson, Mihai (Michel), who must wait thirteen years to ascend the throne. In the offing lurked a pretender, the boy's father, Carol Caraiman, who had abdicated.

A King somewhat against his will, Ferdinand rarely asserted the drastic authority that was his. Although a constitutional monarch, he could arbitrarily prorogue Parliament, and such was the machinery of elections that he could, if he would, dictate the complexion not only of the Government but of the legislative body. No important step was taken without his consent, but there were times when his consent wore an air of indifference or cynicism. The direct power was exercised by the rich and adroit "hereditary dictator," Jon Bratiano, whose father had helped enthrone Ferdinand's uncle, the first King of the little Balkan State.

This first King was Carol, and his Queen was Elizabeth, known to the world of letters as Carmen Sylva. When their only child, a daughter, died at the age of four, the succession threatened to go begging. Under the Constitution, it passed to Carol's elder brother, Leopold of Hohenzollern-Sigmaringen, who renounced it in favor of his son William; but William, after a year at the Rumanian court, passed the honor along to the junior Ferdinand. The Rumania of that day was weak and unstable, rather looked down upon by Austria, Hungary and Germany. It consisted of two former principalities, Wallachia and Moldavia, which lay like a fat crescent in Southeastern Europe, between the Carpathians, the Pruth, the Danube and the Black Sea.

Guarded by rugged mountains and river moats, the two principalities made common cause against their enemies, and profited by the intrigues of European diplomacy. By the Treaty of Adrianople, in 1829, Czar Nicholas freed them of Turkish domination and set them up as autonomous States

under his protection. By the Treaty of Paris, in 1856, Napoleon III, jealous of the Czar's power in the Balkans, freed them of Russian influences. They were united under a common Ministry in 1861; and after the Russo-Turkish War of 1877-78, in which they aided the Czar, their independence was acknowledged. But it was not until 1881 that Carol I ascended the throne, through the instrumentality of the Bratianos. This, in briefest outline, is the background up to the World War of a young kingdom ranking in wealth with Czechoslovakia, and in political importance outranking any other country of Southeastern Europe.

The aging Carol was still King when the conflagration of 1914 swept across Europe. All his sympathies were with the Central Empires, and his country was economically dependent upon them. He had resented, to be sure, that his cousin, Kaiser Wilhelm, had never visited him; and he had hardly felt that amends were made when, at the celebration of the fortieth year of his reign over Rumania, he was decorated as a Marshal of the German Army. For that matter, had not Russia straightway extended to him a similar honor? These trivialities could not weigh against the call of his blood and his training. Carmen Sylva, too, was of German birth, the daughter of Prince Herman of Weid.

King Carol was no sabre-rattler, and when he called a Crown Council just after the outbreak of the war he found that, whatever his own sentiments, he could not have commanded a declaration of war against the Allies. The French influence at the capital, ever since Napoleon III had manifested his not unselfish interest in the little State, had been strong. Bucharest delighted to call itself the "Little Paris" of the Balkans. Well-born and well-to-do Rumanians spoke French in preference to German, wore French clothes and aped French manners. Jon Bratiano, moreover, was Premier; all his economic and political power was thrown on the side of the Allies. And so the Council declared for neutrality. King Carol, according to Nicolai Jorga, foremost historian of the country, "slowly died of it." He survived but two months, and Ferdinand became King on Oct. 11, 1914.

Ferdinand's Queen consort was the English-born Marie, daughter of the Duke and Duchess of Edinburgh, on her father's side a granddaughter of Queen Victoria, and on her mother's side a granddaughter of Czar Alexander II. At the court her beauty, vivacity and fondness for the intricacies of diplomacy had made her a much more conspicuous figure than Ferdinand, and she remained that after his accession. Theirs was a marriage dictated by the demands of kingship. In Ferdinand's young manhood he had fallen profoundly in love with a young Rumanian woman not of noble birth, a lady-in-waiting to his aunt, Queen Elizabeth. The Constitution curiously prohibits the Rumanian royalty from marrying a native; and although Carmen Sylva looked with romantic sympathy upon the young couple, Carol I forbade a morganatic marriage. Ferdinand accordingly, married Marie in 1893.

All Marie's sympathy was with the Allies despite her kinship with the Hohenzollerns, but for nearly two years after Ferdinand's accession neutrality was maintained. It was a profitable neutrality, for the Germans paid high prices for foodstuffs from the Rumanian granary. But as time went on the pressure from both sides became more urgent, and Bratiano set about to discover what terms could be made for a declaration in favor of the Entente. On Aug. 26, 1916, Ferdinand summoned his Ministers, his party leaders and the then Crown Prince Carol into a council and announced that, although himself a Hohenzollern, he must put the Rumanian State first; he had decided in favor of the Allies. He asked for the united support of those present.

An account of this Crown Council was printed after the war in *La Roumanie*, an organ of Take Jonesco, who as a former Premier was a participant. According to this article Bratiano announced that he had already pledged himself to the Allies; the only determined opposition came from Titus Majoresco, a former Premier, who demanded that the question be put to a referendum. This, the anonymous writer observes, provoked "a general smile." On the next day Rumania declared war upon Austro-Hungary.

Subsequently it became known that Rumania, before declaring war, had entered into a treaty whereby France, Great Britain, Japan, Russia and Italy agreed, in the event of victory, that there should be added to the Kingdom the Hungarian plain as far as the Tisza, a part of Bukovina, the Banat and the province of Bessarabia. To this

secret treaty the United States, as a subsequent co-belligerent, refused to subscribe.

After one or two minor victories the Rumanian forces fared ill. The country was overrun by the forces of von Mackensen and Falkenhayn. The King fled with his family and his Parliament to Jassy in Moldavia; his eldest son, Carol, left the army to elope with a Rumanian girl, and morganatically married her. For this he was convicted by court martial as a deserter and sentenced to seventy-five days in prison. Subsequently both State and Church annulled the marriage.

While fresh Rumanian troops were being recruited and drilled in Moldavian camps, Ferdinand and Marie were active among the soldiery, the King decorating soldiers who had exhibited valor in earlier engagements, and the Queen in the dress of a Red Cross nurse ministering to the wounded. But fresh troops could not avail against the seasoned German veterans and the victors imposed upon their victims a treaty as harsh as that of Brest-Litovsk against the Russians. This was signed at Bucharest in July, 1918, and took from Rumania a strip of territory five miles deep along the Carpathians, all the passes, valley heads and observation posts, the Iron Gate of the Danube, and rich oil concessions. The treaty, although its terms were such as to afford ammunition for the Allies in their propaganda as to the real ambitions of the Germans in the World War, was never promulgated. It would have deprived Rumania of all defenses in any future trouble with the Central Powers. King Ferdinand saw to it that his Prime Minister, who under compulsion had signed the convention, was not able to find him. Fleeing through mountains and forests, he evaded acknowledgment of the document. His friends thought that, had he been captured, his life would have been forfeit, owing to his opposition to the Kaiser, head of his family. The day was saved when Marshal Foch began striking at the Western front from Chateau Thierry to the North Sea. The Germans were forced to withdraw their strength from Rumania in a desperate and unsuccessful effort to meet this assault.

#### MOMENT OF TRIUMPH

After the Armistice Ferdinand re-entered his capital in triumph at the head of his army amid the delirious ovations of his subjects. It was the crowning moment of his life, and probably his happiest moment as a monarch. He had come to the throne amid such troubled scenes that it was not

deemed wise to undertake coronation ceremonies. Not until 1922 was the steel crown actually placed upon his head. In the meantime, thanks to the secret pledge of the Allies, there were transferred from Russia and Hungary to Rumania vast stretches of territory, including parts of Transylvania and Bukovina; to some of this Rumania laid claim as territory wrested from her in war.

Constant vigilance and untiring efforts were needed to weld the new and "united" Kingdom into a whole; to these sources of anxiety Crown Prince Carol by his escapades and abdication, described elsewhere in this issue, added domestic difficulties. The resulting estrangement between Marie and her eldest son continued until, on the eve of her departure for the United States in the Fall of 1926, the two met in Paris and had a long talk. Marie said later that her son had promised he would cause no trouble during his father's life. Ferdinand was breaking rapidly from the inroads of cancer, although the exact nature of his disease was not made known at that time. The Queen cut short her transcontinental trip in this country and canceled her arrangements for a tour of the South, because of advices that the King's health was failing even more rapidly than had been expected. After her return, there were reports that he was dying, but he recovered some of his strength, and saw a rapid change of ministries wherein General Averescu yielded to Prince Stirbey as Prime Minister, to be succeeded swiftly by Bratiano.

It so happened that the King lived just long enough for Bratiano to consolidate and ratify the processes by which he had come again into power. The King had moved in May from the capital to his palace at Sinaia in the Carpathians, and there he began failing rapidly. Specialists summoned from other European capitals decided that it would be impossible to operate on the cancer which was enfeebling him. After Jon Bratiano formed his Government in June, it was necessary to hold a general election, and determine whether the Liberals, his party, could command Parliament. Unofficial returns showed that the Liberals had a four-fifths majority. (Such overtures are a commonplace in Rumania, where an obscure factor in legislation may assume overwhelming strength almost overnight, owing to the electoral practices in vogue.) It was necessary to verify the Parliamentary mandates submitted by the newly elected delegates, and these in turn must be confirmed by the King.

Ferdinand, amid the cold of the Carpathians, contracted pneumonia, and was at

the brink of death when the official election returns were tabulated. Bratiano hurried in a special train to the sovereign's Summer palace, and Ferdinand rallied long enough to affix his signature to the necessary document. Then he fell into a coma and expired at 2:15 A. M. on July 20.

#### RUMAN ORIGINS

The Rumans, denying that they are a Balkan race, proudly assert that they are of a Roman descent. They hark back to the Emperor Trajan, who colonized Dacia (a part of the Kingdom), annexed Dalmascus and incorporated part of Arabia in his realm. As a fact Trajan was an Andalusian, and most of the colonists he sent to Dacia were Spaniards like himself; but present-day Rumanians lay claim to Roman ancestry and their writers attempt to use Italian derivatives rather than any other. "Our Latin origin," one of them has said, "is our parchment of nobility." As spoken by the natives, however, the language has only a basis of Low Latin. The great number of words of foreign origin—Slavic, Turkish, Greek, Hungarian and so forth—many of which are almost impossible to trace philologically, give a strange aspect to this "Latin" language, making of it an isolated phenomenon in the Romance field.

Bessarabia and the plain which was formerly Hungarian are the sorest spots of the present Rumania, and therefore the gravest threats against the happiness of the boy King and the continued peace of his Regents. Soviet Russia still regards Bessarabia as hers, despite the large number of Rumanians in its population; and Hungary cannot be content with the action at Versailles which deprived her of a rich part of her former lands. In Bessarabia the Peasant Party, where is centred the strongest opposition to the oligarchy in power at Bucharest, has offered support to Carol in the past, and would be his chief hope were the Pretender to attempt a *coup d'état*.

Bratiano, now serving his fourth term as Premier, is regarded as the richest man in his country, and Prince Stirbey also is extremely wealthy. They have a firm grip on the banking and industrial systems, and their demand that outside capital seeking to exploit the natural sources of Rumania, especially in oil, shall surrender a majority of stock into Rumanian hands, has caused some heartburning among American, British, French and Italian financiers. The country's oil is the resource at which for-



eigners look most longingly; but it is rich also in minerals and in vast, untouched forests. At a pinch it could become more nearly self-contained and self-supporting than the United States. Its fields of wheat, corn, barley, oats and colza grow far more than enough for the population, and there are large grain exports to Western Europe.

#### RUMANIA'S NEED OF CAPITAL

The country, however, needs industrial and transportation development, and the attitude of the oligarchy has not been such as to bring this development speedily. It was generally reported that one purpose of Marie's visit to this country was to enlist American capital, but if that was true, the effort seemed to fail.

The cordial relations existing between Bratiano and Marie, and the inclusion of Marie's second son as a member of the Regency, make it improbable that she is so powerless in the new State as some have asserted. It is true that only a majority is needed for a decision by the Regents; the Patriarch and the jurist, who are regarded as Bratiano's men, could act against the wishes of Prince Nicholas if they chose, and if there were a break between Bratiano and the Dowager Queen. But there is a

background of mutual effort, sufferings, dangers and intimacies which make such an eventuality unlikely. Prince Stirbey is so strongly allied to the oligarchy that, in the crisis preceding his brother-in-law's last accession to the Premiership, he consented to act as a stop-gap, and assumed the post himself. Never before that time had he accepted any public position. Those familiar with the situation believe that Bratiano and Marie must have brought exceptional influence to bear to bring him out of the shadows whence for years his voice had aided in the country's Government.

Ferdinand's passing in his mountain home, the pomp of his funeral from Cotroceni Palace and of his burial beside Carol I, the 101 guns which boomed in salute of the boy King—these things cannot be said to have worked great changes in the Balkan State. The youngest monarch in Europe is on the throne, untroubled as yet by his legacy of \$70,000,000 and a kingdom none too stable. The Queen Mother Hélène exercises theoretically the authority that was Marie's. There is a new Crown Prince. There is a Pretender. But the fortunes of Rumania are not greatly affected. The group which ruled while Ferdinand lived still rules.

## The Unsolved Question of the Rumanian Succession

By FREDERIC A. OGG

PROFESSOR OF POLITICAL SCIENCE, UNIVERSITY OF WISCONSIN;  
CURRENT HISTORY ASSOCIATE

AT Castelui Palace, Sinai, whither he had been removed from Bucharest in the last stages of his illness, Ferdinand I, first king of the Greater Rumania created by the war, died on the morning of July 21. The event was not unexpected. Long a sufferer from cancer, the monarch was at death's door last December, when, indeed, his demise was several times incorrectly reported in the press. By utilizing every resource that modern science affords, the best physicians of Europe contrived to stave off the inevitable seven months more. With Hohenzollern pertinacity, the king clung to the hope that he would live, but the physicians—and also the politicians—knew that it was a losing battle and would soon be over. The funeral was held, with

much solemn display, on July 24, the body being laid at rest in the royal mausoleum at Curtea de Arges. Twelve hours after the king passed away a stately cortège composed of the Royal Household Cavalry, the Prefect of Police and the Marshal of the Royal Court, preceding a royal conveyance bearing Prince Nicholas, the Princess Mother Helen, Princess Ileana and the new King—the five-year-old Mihai—passed through crowded streets from Cotroceni Palace in Bucharest to the House of Parliament, where, amid the cheers of the members and with the boy-King standing stolidly at salute, the Regency was sworn in before the National Assembly. This Regency, created by act of Parliament a year and a half before, consists of Prince



**POOR WEE CHAP.**

The Young King of Rumania: "Well, a gilded cage may be very nice, if you are not in it."  
—*Glasgow (Scotland) Evening Times*

Nicholas, second son of the deceased monarch, the Patriarch Miron Christea, and the First President of the Supreme Court, M. Buzdugan. If he lives and is not displaced, the child-monarch will assume the active duties of kingship when he reaches the age of eighteen, which will be in 1940.

Meanwhile, in a white stone villa at Neuilly, just outside Paris, the man who might have been proclaimed King of the Balkans' largest and richest State remained in strict seclusion. This was Prince Carol Caraiman, eldest son of the late ruler and until 1926 heir apparent, but now, as a result (largely at all events) of his own acts, an exile forbidden even to visit his father in his last illness or to be present at his burial. Father he is, too, of the new boy-King, and husband of the Princess Mother Helen of Greece, who faithfully and pathetically waits the deserter's return. The sensational events which brought about the accession of little Mihai instead of his father are briefly as follows:

Throughout the thirteen years of Ferdinand's troubled reign Jon Bratiano, aided and abetted by his brother-in-law, Prince Stirbey, was the power behind the throne. Part of the time he occupied official position; part of the time he pulled the strings

from back stage. But in any case he dominated, whether because of his ascendancy over the King or because of his absolute control of the so-called Liberal Party, which enabled him not only to dictate the results of parliamentary elections but to direct the economic and financial policies of the country.

After the war, however, new factors entered the situation. Anti-Bratiano elements in the older Rumania were stirred to fresh efforts by the hostility of the new provinces, especially Bessarabia and Transylvania, toward their new rulers. King Ferdinand began to fail in health, and the heir apparent, Prince Carol, never friendly toward Bratiano, gave promise of developing into a sovereign whose first concern would be to eject that lordly statesman completely from power. In this situation Bratiano's purpose came to be to bring about Carol's exclusion from the succession; and every follower of Rumanian affairs knows how this was eventually accomplished, even though the extent to which, at the last, the King was influenced by Bratiano and the extent to which he acted on his own accord will probably never be definitely known.

**CAROL'S ABDICATION**

Carol's own conduct, of course, made matters easy. Having, years ago, defied the King and Queen by contracting a morganatic marriage with a Rumanian girl, the amorous Prince answered their remonstrances by abdicating his title. Subsequently he renounced both the marriage and the abdication. But resentment remained on both sides, being systematically kept alive, and indeed fanned at times to white heat, by Bratiano and others whose interest it was to keep the Prince from ever coming to the throne. At last, after Carol had carried a liaison with Mme. Lupescu to the point where it became a public scandal, an open break was precipitated. Ordered by his indignant parents to break off relations with the woman and return to Bucharest, the Prince made wrathful reply and again abdicated as heir apparent. This time he was taken at his word; and, as has been recorded in these pages, Carol was stripped of his title and banished for ten years, his infant son was recognized as Crown Prince, and arrangements were made for the Regency which lately has come into custody of the royal authority.

M. Bratiano seemed to be left in at least as strong a position as before: with Ferdinand still alive, he was in full control;

after Ferdinand's death the Regency would consist of three persons, two of whom had received their high official positions at Bratiano's hands and were, for other reasons, not likely to set up their wishes against his. General Averescu, known as one of Bratiano's "straw men," was made Premier. In time he proved to have a mind of his own, and after an interim premiership of Prince Stirbey, Bratiano found it expedient to take the office again in person. He had but very recently done this, and had also just held a national election which yielded him a four-fifths majority for the next quadrennium, when Ferdinand died. His preparations for the expected event were about as complete as could have been made.

Upon the sovereign's death, the attitude and actions of several figures in the drama commanded instant interest. Would Carol remain content with the rôle he had chosen and accept the accession of his son? Would Queen Marie, who was reported to have developed a desire to become sole Regent, willingly sink passively into the relative oblivion of a Dowager Queen Mother such as Bratiano had planned for her? Would Prince Nicholas be persuaded to resign from the Regency, thus severing its only connection with royalty? Did Prince Stirbey's unexpected acceptance of the Premiership a month earlier betoken a desire to come out definitely from behind the scenes? Would Bratiano be able to avert a concerted movement in both old and new Rumania in behalf of Carol as the best hope of a new and more liberal régime? What of the deserted but clever Queen Mother Helen of Greece, and as well of other persons who might conceivably play important rôles?

The weeks covered by the present review left some of these questions quite unanswered, and gave definite answers to perhaps none of them. But there were several significant developments. Informed of his father's death, Prince Carol at first declared that he would "wait quietly," but would always be prepared to answer his country's call. Almost immediately, however, he informed representatives of the press that he had assumed the title of King, which of course was tantamount to giving notice that he did not purpose to accept perpetual banishment and deprivation of his rights as his father's eldest son. Still, he took no overt step. "They will have to send for me," he was reported as remarking; "I have only to wait." Moved mainly by a plea from his sister, Queen Marie of Yugoslavia, who has stood by him through all his troubles, he

promised to make no move, in any case, until after his father's burial. He would have been glad to attend the obsequies, but was given to understand that he would be arrested and expelled or imprisoned if he attempted to do so.

On the day following the funeral the Chamber of Deputies and Senate met in Bucharest for memorial sessions. In each house Premier Bratiano spoke at length concerning the dead monarch, the state of the country and the need of national solidarity; and in both he used language unmistakably directed at those persons and groups that were questioning the legality of the Regency and working for Prince Carol's return. "Mihai," he declared with significant emphasis, "is the King of Rumania. That is beyond discussion and cannot be altered." The Deputies, and in their turn the Senators, burst into cheers for King Mihai. But in each house a representative of the National-Peasant Party, which throughout the events of the past year and a half has continued to look to Carol as the means of ousting Bratiano, boldly harangued the members to the general effect that the existing Government was based upon injustice and oppression, that the only way to honor the memory of King Ferdinand was to create equal rights for all his past subjects, and that while the party must indeed acknowledge the existence of the Regency, it must also insist that the authority of that body did not rest upon the free will of the nation. The dissenting speeches—particularly that of M. Iuliu Maniu, leader of the National-Peasants in the Chamber—made a deep impression, because they clearly meant the raising of the question of the Regency's legality and thereby the question of the lawful successor to the throne.

#### LEGALITY OF CAROL'S ABDICATION

The constitutionality of the Regency act of 1926 had, indeed, from the first been doubted by some of the country's foremost authorities, not only by Professor Jorga, Carol's former tutor and present loyal supporter, but by men of more independent position. Professor Jorga's argument was, chiefly, that under the provisions of the new Constitution for Greater Rumania, adopted in 1922, Carol could not legally renounce his right to the throne until it actually devolved upon him, i.e., until after his father's death. Other jurists found the illegality of the act in the fact that, under the dictation of Bratiano, it was passed not by a special session of Parliament convoked for the purpose, as required by the Constitution, but in



an ordinary session which happened at the time to be in progress. It was contended also that the question of legality had never been submitted to the Supreme Court for the reason that the scheming Premier had cleverly brought it about that the President of that tribunal was one of the three persons in whom the Regency was vested.

Meanwhile the impression that Prince Carol still expected events to take such a course that he would be recalled to his country and placed upon its throne was kept alive by a frank interview which he gave a *New York Times* correspondent on July 30, as well as by a striking article, printed in *The Times* on the following day, in which the Prince paid homage to his father, lauded his reign and inferentially criticized the Bratiano régime. The opinion of many people, both in and out of Rumania, that the Prince's exile was less voluntary and more political than had been officially represented found confirmation; indeed, so clearly did the Prince charge that his renunciation of the throne was imposed on him that it was generally expected that Bratiano would be moved to a public rejoinder.

At Paris, various Rumanians who from the first had hoped for the Prince's accession and had been free to accord him the title of King continued to profess to believe that 80 per cent. of Rumania's inhabitants

are for him, and that it is a question of only a very short time until the Bucharest Government will tear up the Renunciation act, dethrone young Mihai and recall Carol to reign over the country. At Bucharest, however, matters looked otherwise, and two weeks after Ferdinand's passing it was generally considered that all danger of a Carolist uprising was past and that the Prince would have to do much more than issue public statements and hurl accusations if he hoped to have any real influence on the course of affairs. Bratiano stood forth, even more clearly than in the past, as the country's dictator, without really serious opposition. Both politically and militarily, he was taking the fullest measures to make futile any efforts that Carol or his friends might put forth.

#### OTHER EVENTS IN SOUTHEASTERN EUROPE.

**GREECE**—The Cabinet resigned on Aug. 11 owing to the opposition of Minister of the Interior Tsaldaris to certain financial measures advocated by Finance Minister Kafandaris.

**YUGOSLAVIA**—An agreement settling Yugoslavia's \$127,000,000 war debt to Britain was signed on Aug. 9.

#### RUSSIA

### "Oil Imperialism" and Soviet Russia

By ARTHUR B. DARLING

ASSISTANT PROFESSOR OF HISTORY, YALE UNIVERSITY;  
CURRENT HISTORY ASSOCIATE

**A** CONTROVERSY over Soviet oil, which threatened to grow into a trade war between the Royal Dutch-Shell and the Standard Oil companies, arose out of a report published in July that the Standard Oil Company of New York and the Vacuum Oil Company, another member of the Standard group, had renewed their agreements with the Soviet Naptha Syndicate for purchases during the next five years. Shortly after that announcement and just before W. C. Teagle, President of the Standard Oil Company of New Jersey, left for Europe, that company issued a statement which said in part:

Newspaper dispatches, undoubtedly emanating from Russian sources, report negotiations by which a quantity of Russian oil is being purchased by the Standard Oil Com-

pany. As a result the impression has been created, both in Europe and in this country, that the Standard Oil Company of New Jersey, in the face of the present overproduction in the United States, is buying Russian oil to displace products of American origin in the European markets supplied in part by its foreign subsidiaries. The impression that the Standard Oil Company of New Jersey has any trade relationship with the Soviet Government is incorrect.

The Soviet Government seized all the producing oil wells and refineries and assumed full proprietary rights over the private property represented by the oil industry in Russia, without any pretense of compensation. Subsequently the Soviet Government tried to raise capital abroad by selling oil which it had thus confiscated. Efforts were made to open a regular market for Russian oil products with various interests, including European subsidiary companies of the Standard Oil Company of New Jersey.

At that time the Standard Oil Company of New Jersey made it clear that it would not enter into any negotiations with representatives of the Soviet Government looking to the purchase of oil without assurances that the claims of the rightful owners of the properties would be met. It took the position that, if it participated in the sale of Russian oil, a part of the proceeds therefrom should be allocated to the indemnification of the former owners. As the Soviet Government was unwilling to agree that private property rights should be thus recognized, negotiations terminated and have not since been resumed with the Standard Oil of New Jersey or any of its foreign subsidiaries. \* \* \*

In reply, G. P. Whaley, President of the Vacuum Oil Company, made a formal statement, part of which follows:

The Vacuum Oil Company believes that trade contacts with Russia will make for wholesome reconstruction, and, further, that it is only common sense to recognize that Russia is the economic source of supply for certain markets. An opportunity given to Russia to dispose of some of its surplus in its natural markets will avoid such surplus being forced into competition with American products in markets where transportation costs are in favor of the United States. \* \* \*

The Vacuum Oil Company, for a number of years prior to the Russian revolution, was doing an extensive refining and marketing business in Russia, involving an investment of many millions of dollars. As a consequence, we were substantially affected by the nationalization of the petroleum industry. We believe that with the sole exception of the Standard Oil Company of New York, which owned some tank storage properties in Russia, the Vacuum Oil Company at the time of the nationalization of industry by the Soviet Government was the only American oil interest having vested ownership directly or indirectly in the Russian petroleum industry. It is therefore obvious that we are directly interested in the matter of compensation. We expect in due course of time to negotiate for compensation covering the large values that were taken over at that time and to make satisfactory recovery, but this can be in time best adjusted without involving the question of either buying from or selling to Russia.

Mr. Whaley's reference to his company's "vested ownership" before the nationalization of Russian industry emphasized the fact that the claims of the Standard Oil Company of New Jersey against the Soviet Government rested upon the acquisition of the Nobel oil properties in 1920, two years after those properties had been taken over by the Soviet Government. In short, the Standard Oil of New Jersey had deliberately ignored the consequences of the Bolshevik revolution.

Here was a startling situation. Two Standard Oil companies were in sharp disagreement. It was soon learned that Sir

Henri Deterding, head of the Royal Dutch-Shell interests, had on July 11 sent to his representative in New York the following cablegram, which was reproduced in *The New York Times* on Aug. 5:

I had no knowledge or even suspicion that Standard Oil Company after expulsion of Russians from England would profit by the absence of any buyers to make large contracts for five years to invade the British Indian market or to supplant American oil there.

You can inform them I shall never make room for Russian oil and I shall fight it with American oil until American oil is driven out of India by stolen Russian oil.

They should realize I must insist in India and elsewhere upon American oil taking preference over stolen oil. Besides, if this oil at present juncture had not been bought by Standard Oil Company [it] would have gone into consumption in Russia, where there is great scarcity caused by the Bolshevik Government in order to obtain more money abroad.

Statement has been made to me by a Bolshevik Government official that they had more want of money than Russian population of light; therefore Standard Oil Company has killed a large consumption in face of overproduction in America, for the obvious reason of obtaining more direct benefit, partly at the expense of our American petroleum industry, because so much American oil, unsold, must depress all markets; therefore I do not intend to let them get away with such extra profit, secured at the expense of the whole industry.

Please show this telegram to Walter Teagle.

In case of need I shall instruct you to publish in American press, as I have nothing to hide, but want honest deals with honest traders who have paid for their production and not what Standard Oil Company apparently want, namely, distribution of stolen property in such a way as to destroy legitimate trade.

My intention is to fight matter to the bitter end, if necessary over the whole world, as we wish public to know who caused this dishonest upset of the petroleum industry.

Upon the arrival of this cablegram the Standard Oil Company of New Jersey had issued its statement, quoted above. At the offices of the Standard Oil Company of New York it was stated that the company would make no statement concerning the controversy until its counsel, Charles E. Hughes, should return from abroad. Its President, Herbert L. Pratt, who was going to Scotland for a vacation, had no intention of getting into the controversy over Russian oil, though he might possibly have some conversations with persons in London.

Saul G. Bron, director of Amtorg, the American trading company of the Soviet Government in New York, stated that there was no shortage in Russia of oil for domestic use. During the past year "both produc-

tion and consumption of oil products in the Soviet Union have exceeded the pre-war maxima." The Russian oil bought by the American companies was distributed in Egypt and the Near East, where oil produced in the United States could not compete on account of the costs of transportation. "It is also not true," he declared, "that the Soviet Government was not willing to give compensation for oil seized following the revolution. The difficulty which the Russian Government had with the Standard Oil Company of New Jersey was not over a matter of compensation, but over the question of monopoly. The Standard Oil Company of New Jersey was working with the Royal Dutch-Shell Company to obtain a monopoly of all oil exported from Russia. The Soviet authorities would not agree to give this exclusive privilege. It was upon that point that negotiations fell through."

After a conference with Mr. Teagle in Paris on July 28, Sir Henri Deterding was reassured as to the position of the Standard Oil of New Jersey, and the two men found themselves still in agreement that there should be no dealings with the Soviet Government until it had formally recognized the property rights of their companies. Although Mr. Teagle had not been able to promise as much for the views of the Standard Oil of New York and the Vacuum Oil Company, the impression was given to the newspapers that there was not likely to develop a "world oil war" between the Royal Dutch Shell and the Standard Oil groups. Sir Henri Deterding, however, on his return to London, gave the following statement to *The London Daily Mail*:

I refuse as a man who believes in the good order of established society to have anything to do with gasoline which is in the hands of twelve unprincipled cutthroats whose hands are stained with the blood of their victims. These assassins are outside the pale of all decent civilized trading and are as unscrupulous in their methods of trading as in their seizure of power. Every company is affected, the Standard Oil Company no less than my own.

But for most disinterested onlookers his position had been seriously weakened by the statements of Bron in New York and of Soviet officials in Moscow. The indications were that the Royal Dutch-Shell interests had been negotiating quite recently with the Soviet agents for Russian oil.

Appreciating the possible effects of such statements from Russian sources upon public opinion, Sir Henri Deterding made another statement on Aug. 4 in *The London Daily Express*. He said in part:

There is not a more dangerous liar than one who tells only that part of the truth which is bound to mislead. That is the position which the agent of the Soviet Government has taken up in his statement that I have tried before to obtain a monopoly of Russian oil, adding to it that I was even prepared to advance £3,000,000 for such a monopoly.

In the first place, in the negotiations in which my group was only an interested party—very far from even 50 per cent.—three conditions were *sine qua non*: the first was an indemnification to previous owners of the oil; the second was that no sale need be effected by sellers; if the oil should afterward be wanted for internal consumption there would be no indemnity; and the third stated no advance or credit was to be given by any of the parties.

If the Soviet thinks the above is not the truth, why does it not publish the contracts proposed at the time by us?

He admitted to the interviewer, however, that his group had secured a block of shares to control the two largest independent Russian oil companies, Mantashev and Lianoson, and that his companies had bought quantities of Russian gasoline for the English market, but those purchases had been stopped some time ago, as he had thought they would not help the British Government in negotiating for the settlement of the Russian debt.

In Russia comment on the controversy was liberally mixed with humor and resentment. Soloviev, head of the Soviet Naptha Syndicate, declared that the campaign of the Royal Dutch-Shell corporations against Russian oil would have no effect on the Soviet industry; for by October its exports would reach 2,000,000 tons, twice the export before the war. The Soviet press interpreted the controversy between the foreign oil companies as confirming its belief in the hypocrisy and perfidy of all capitalists. According to *Izvestia*, it was common knowledge in Moscow that the Royal Dutch-Shell group and the Standard of New Jersey had tried on several occasions to secure a monopoly of the Soviet oil sales; that Sinclair had been "knifed" by the Standard Oil with the exposure of his connection with Fall and Doheny, so as to prevent his obtaining the credits from "Wall Street" necessary to finance his concession in the Grosny oil field. Since then, said *Izvestia*, it had been a free-for-all affair, with the Royal Dutch Shell and the Standard of New Jersey insisting upon compensation for the properties which had been acquired after the revolution, and the Standard of New York and Vacuum Oil doing a good business in purchasing and distributing Russian oil.



## OTHER EVENTS IN RUSSIA

WHEN this article was being written, reports from Moscow indicated that a joint plenary meeting of the Central Committee of the Communist Party with the Central Executive Committee was in session to determine whether or not Trotsky and Zinoviev should be dropped from the Central Committee for their open opposition to Stalin's Administration in defiance of the Communist rule against factional resistance within the party. After twelve days' sessions, the joint committees were reported on Aug. 10 to have decided to withdraw the question of expulsion, and to limit official action to a severe reprimand and a warning, in view of the declarations of Trotsky and Zinoviev "renouncing" some of their opposition views. On Aug. 11 a recent statement by M. Yaroslavsky, one of the leading Communist Party spokesmen, published by the *Pravda*, was quoted by Walter Duranty in *The New York Times*, as follows: "The plenary session [of the Central Committee] has decided to permit the publication in the *Pravda* of the counter-thesis put forward by the Opposition for a period before the All-Union Party Congress [fixed for Dec. 1]. The party will thus be enabled to judge the questions that are to be raised at the congress and to discuss them in local meetings." It was understood that the Opposition would have its chance to present its

case—an opportunity hitherto denied—from Oct. 15 on. Thus the Bolshevik Opposition leaders not only escaped expulsion from the party, but also actually won a partial victory.

On July 23, M. Patek, Polish Minister to Moscow, left Warsaw with detailed instructions designed to close the Voikov incident. Two days later, the Polish President refused to commute the sentence of Voikov's assassin, Korenko. It thus appeared that relations between Poland and the Soviet Union would not be broken off on account of that unfortunate affair.

Before Rakovsky, Soviet Ambassador to France, left Paris to attend the plenary meeting of the Central Committee of the Communist Party in Moscow, he was told, according to published reports, by Premier Poincaré that the Soviet Government must check the activities of Communist agents in France or the French Government would be provoked into breaking off diplomatic relations.

Sir Austen Chamberlain made a formal denial in the House of Commons on July 6 that the British Government was attempting to form a bloc of Powers hostile to the Soviet Union.

The corrected figures of the recent census give the population of the Soviet Union as 146,200,000. Of these no more than approximately 26,000,000 live in towns.

## OTHER NATIONS OF EUROPE

## Spain Concludes Moroccan Campaign

By JOHN MARTIN VINCENT

PROFESSOR EMERITUS OF HISTORY, JOHNS HOPKINS UNIVERSITY;  
CURRENT HISTORY ASSOCIATE

THE occupation of the Spanish zone in Morocco has been officially declared complete and the military campaign brought to an end. With French cooperation the Spaniards have been engaged in a cleaning-up process since Easter, operating from Alhucemas Bay and Tetuan, and all the remaining bands of rebels have finally been rounded up. Peace operations have already begun through the civil service departments which are giving employment to the submitting tribes in building roads and bridges. One of these *pistas* (roads) now permits motor cars to run from the new capital, Villa Sanjurjo, on Alhucemas Bay,

to Fez. Villa Sanjurjo is at present a diminutive town, but plans are developing to make it a place of importance. Five million pesetas have been allotted for the construction of a harbor. The return of disbanded troops to the remotest villages of Spain with the news that the war in Morocco is ended will doubtless increase the popularity of the Premier and his Government.

The railway from Tangier to Fez has been opened to traffic and ought to play an important part in the economic development of Morocco. It is a Franco-Spanish enterprise and passes through the richest

agricultural land in the Spanish Protectorate, the lowlands of the Gharb. But the Tangier-Fez line is by agreement a part of the French Morocco system and the outlets for the Gharb products are through Fez, Casablanca and Tangier, none of which are Spanish. It is the opinion of observers that a branch line ought to be built to Ceuta, by far the best Spanish port on the Atlantic, so that the products of the Protectorate could be shipped without the annoyance of entering the international zone.

King Alfonso's visit to England gave opportunity to express the good will existing between the two nations and to show the monarch's interest in higher education in his own country. In an address before the Spanish Club in London he described the new University City which is being built near Madrid in commemoration of the twenty-fifth anniversary of his ascent of the throne.

Curiosity concerning the National Assembly which is to be called and the nature of the Constitution to be proposed still remains unsatisfied. In an interview General Primo de Rivera said that the document when ready would be opened to full and free discussion, followed by a referendum to the people, before going into effect. Asked if the Government was going back to "normalcy," he said: "We are not going back to the old institutions of parliamentarianism, but the Government wishes to establish as soon as possible political reforms in accordance with the desire of the people and the new ideas of political science. A consultative Assembly in which all economic and intellectual activities will be represented will discuss and approve the reforms and help the Government achieve political changes."

Spain's attitude toward the League of Nations came to the front during the month in an article in *La Nacion*, the recognized Government organ. Although the article was unsigned, the responsibility for its con-

tents was attributed to Premier de Rivera. It proposed an entirely new League, which would not only be a tribunal of arbitration, but would have an independent army of 2,000,000 men with which to enforce its decrees.

The proposal of the Government to create a monopoly of oil has met with opposition. The plan would benefit the national treasury, for it provides a division of profits on an ascending scale, the Government receiving half if the net gain reaches 50 per cent. The contract would run for twenty years and would be given to the company offering the best terms.

The report of the United States Commercial Attaché at Madrid for the month of June indicated strength in the financial situation.

The Spanish Government has decided to buy out the miner-owners of the Trade Union Mine of San Vicente in Oviedo, which is now being run at a loss equivalent to over 2 pesetas per ton of coal raised. Since there has been a continuous loss for over eighteen months, that is, since the miners took over the concern on their own account, the trade union realized that the only course was to close down the mine or sell out to the State.

Echoes from the military revolts continue to be heard. According to an official note "undisciplined elements" exist among the students at the Artillery Academy, and it describes an attempt by the pupils of the military academy at Segovia to organize a conspiracy against the Government. At the time of the note discipline had not been fully restored, but the Minister of War had taken measures to weed out the ring leaders.

The break-up of the Tangier parley between France and Spain for a revision of the international control arrangement was officially announced on Aug. 11. It was stated, however, the negotiations would be resumed in October.

## OTHER EVENTS OF THE MONTH

**P**ORTUGAL—Reports during the month of disturbances in various parts of Portugal prompted the Government to issue a denial, and a declaration that it would not permit manifestations of a disloyal character, nor any disorder whatever. It now appears, however, that new troubles were brewing. The precipitating cause was a decree (Aug. 12) creating a Vice Presi-

dency, and appointing Colonel Passos Souza, Minister of War, to the post. This appointment created a storm among the officers of the Lisbon garrison, and on Aug. 13 a military group launched a new rebellion—the eighteenth in Portugal's sixteen years of republican history—invaded the home of General Carmona, the Premier and Dictator, while a Cabinet meeting was going on, and

demanding his and his Cabinet's resignation. On receiving a refusal, one of the officers, Lieutenant Sarmiento, opened fire on the Ministers, wounding the Minister of Finance. He was disarmed by the Premier; the leaders of the rebellion were jailed, and on Aug. 14 it was announced that they would be deported to the Cape Verde Islands.

**HOLLAND**—Dutch aviation has received a decided impulse through the enterprise of Mr. Van Lear Black, capitalist and newspaper proprietor of Baltimore. Mr. Black chartered in Amsterdam a commercial airplane and accompanied by two Dutch pilots and his valet completed a round trip of 20,000 miles to Java in the Dutch East Indies in thirty-nine days. On his return to Amsterdam Mr. Black was received enthusiastically by the populace and the authorities, and at a banquet in his honor high officials of the Dutch Government extended their congratulations, and Queen Wilhelmina conferred upon him the Distinguished Order of Orange Nassau. In his reply Mr. Black was loud in his praise of the machine and of the Dutch pilots and said that his object had been achieved, namely, to prove that an ordinary commercial airplane was quite capable of safely covering long distances with passengers and to demonstrate the possibility of carrying mails, passengers and freight over areas where regular connections are extremely slow.

According to reports to The Hague from Java the Communist agitation in the Dutch East Indies had met with complete defeat. Two Communist leaders were arrested at Samarang on a charge of bribing native soldiers to join the plot, and Samarang was discovered to be the headquarters of Soviet agents who appeared to command large pecuniary resources. Raids on houses of Javanese students made at The Hague and Leyden by Dutch detectives brought into daylight important sources of Communist propaganda carried on at long distance with the East Indies.

**DENMARK**—According to Mr. Holger Anderson, a member of the Danish Parliament, writing in *The American-Scandinavian Review*, the old contest with Germany for political control in North Slesvig has given place to a struggle for economic control through the financing of the farmers. Two organizations, one German and one Danish, are assembling funds for loans

on agricultural lands. The former operates from Haderslev and grants loans not only to farmers having "German proclivities," but also on lands now held by "Danish sympathizers." Against this the Danes have formed a society known as *Landeværnet*, or the Land Guard.

**SWITZERLAND**—The Swiss Parliament has passed a bill regulating the salaries and conditions of work of the officials of the Federal Government, some 65,000 in all. The new scale suppresses all allowances, reduces the higher salaries and increases the lower, a step which will benefit some 15,000 officials. The change will become effective next year and will cause an extra expenditure of about \$1,200,000 during the first six years. After that period there will be a yearly saving of \$1,300,000, an economy which will increase as the Government reduces further the number of officials. Industrial circles are not satisfied with the act because it is feared that it may cause a general increase in commercial wages, and Swiss trade and industry are already handicapped by the high cost of production resulting from high wages. On the other hand, the change will end a long period of agitation among Government officials. This class, though it will be among the best paid workers in Switzerland, will in future be subject to new rules. For example, officials may not go on strike, and they may not belong to organizations advocating the use of strikes as a weapon.

**SWEDEN**—An action for libeling Mussolini brought by the Government against Allan Vougt, editor of the Socialist newspaper *Arbetet*, appearing at Malmö, stirred the political world in Sweden. In the articles complained of, the Italian dictator had been called a madman, endangering the peace of the world, and a caption reading "One faker makes the other king" had been affixed to the news that Achmed Zogu had been made King of Albania. The Swedish press, believing the action to be an outcome of a demand for redress by the Italian Government, first regarded the proceedings as an act of international courtesy. Later, however, it became known that no such action had been taken by Italian officials, and that the proceedings were due entirely to the initiative of the Swedish Government. Several of the papers then declared the action an exhibit of excessive zeal in so trivial a matter.



## The Woes of Palestine and Syria

By ALBERT HOWE LYBYER

PROFESSOR OF HISTORY, UNIVERSITY OF ILLINOIS;  
CURRENT HISTORY ASSOCIATE

A SHORT but severe earthquake on July 11 caused extensive damage to property and considerable loss of life in Palestine, already suffering from political stagnation and economic depression. Twenty days earlier a very different but hardly less disconcerting event had taken place in Syria. Henri Ponsot, French High Commissioner, returned after several months' absence in France, during which it had been hoped he would be able to fashion a new policy moving rapidly toward freedom and prosperity. But he proceeded to his residence without receiving the deputations which were awaiting him. The obvious inference, that he brought no advantages for Syria from the "seats of the mighty," was borne out fully when after five weeks he broke silence in an address which revealed virtually no contemplated change as regards organization or action under the mandate.

From 1517 to 1919 Palestine and Syria were part of the Turkish Empire, governed from Constantinople. They shared the fortunes of that empire, in war and peace and prosperity and adversity. In the slow struggle during the nineteenth century toward improved government and renewed economic life, this region fared on the whole much as did the rest of the Ottoman Empire. Roads were gradually improved; some railroads were built, and docks, waterworks and other public improvements were introduced. In 1908 a parliamentary government was set up and the Syro-Palestinian region elected and sent to Constantinople its due proportion of representatives.

Came the World War, at the close of which the region was detached from Turkey. Agreements during the conflict assigned Palestine to Great Britain and Syria to France, but "a due respect for the opinions of mankind" led to the adoption of the mandatory system, which has hampered those two nations a little in the exercise of full authority. On the other hand, the system allows them scope for diplomatic management of their respective situations, and in particular for evasion of the uncomfortable promises of autonomy and independence which some of their officials

made during the stress of war-time. The Palestinian situation was complicated further for Great Britain by the promise in the Balfour Declaration of 1917 that the Jews might have a "national home" in Palestine. On account of this the Arab majority has declined to fall in with plans for a measure of self-government, and the British administration has therefore retained undisputed control. Transjordan was set off as a separate desert-border area with a different plan of government, including an Arab Emir (not native to the district, but imported from the Hedjaz) advised by Englishmen who are under the High Commissioner for Palestine.

France feared also the desire of many Syrians for unity and independence, and has administered her territory in somewhat varying separate portions, including under one High Commissioner an enlarged Lebanon, a state of Damascus (including Aleppo), a territory of the Alaouites around Latakia, a frontier district with Alexandretta, and the Druse Mountain. M. Ponsot's latest utterance shows clearly a continuation of the policy of division, with a serio-comic warning at the end against excessive particularism. His declaration, in fact, shows no intention to build up a political unity in Syria, or to work toward its ultimate independence. On the other hand, provided the Syrians are properly submissive, France desires to give them the best possible administrative order. New burdens of taxation are foreshadowed, together with some form of military conscription. Some unified economic organization is suggested. The government of Lebanon appointed at the end of May a commission to codify the laws, which consist of the whole body of Turkish laws, supplemented and amended by a series of French decrees issued since 1919.

The group of Druses, said to have numbered 2,000, who made peace with the French authorities and agreed in June to return from Kasr el-Asraq in Transjordan to the Druse Mountain, appear to have constituted only about one-fifth of the refugees there, and not to have included the principal leaders. The British-Transjor-

danian authorities increased the number of troops in the locality, proclaimed martial law and ordered the remaining refugees to leave. Some are said to have gone into the desert to the East, some to have removed to Ibn Saud's territory, and a few to have gone to Egypt and farther.

Syria has suffered greatly during the two years of the Druse-Nationalist revolt and its forcible suppression by the French. The effects of destruction of property and life, interference with trade, uncertainty of the future and prevalence of martial law, were augmented by fluctuations of the currency (these, happily, ceased when the franc was stabilized) and the prevalence of cattle disease. As a result, besides the voluntary expatriation of defeated opponents of the French, others from the none too abundant population of Syria have begun to emigrate.

The Palestinian earthquake was, as is usual, at first reported more serious than was actually the case. Official reports ten days later estimated about 1,000 casualties in Palestine, of which one-fifth were deaths, and 1,000 private houses destroyed. Some ancient buildings were damaged, but most have passed through previous earthquakes. Some newer buildings suffered more. Losses were estimated at from \$1,000,000 to \$2,-

000,000. The earthquake was perhaps the greatest in Palestine within a century. It was most severe on east and west lines through Jerusalem and Nablus.

Palestine has suffered economically not merely from the collapse of the building boom, particularly at Tel-Aviv and Haifa, but also from the diminution of purchasing power in Syria, on account of the revolt and in Egypt because of the fall in the price of cotton. Also the crops were injured by drought and hot wind, and the cattle plague entered from Syria through Transjordan. Government receipts fell off 10 per cent., or about \$1,250,000 for the year 1926-7.

The picture is not wholly unfavorable since the barley yield was much greater than usual and the orange crop was good and sold well. Roads and telephones continue to be extended. Lord Plumer, the High Commissioner, cut short his vacation and returned at the beginning of August. Zionist organizations are contemplating emphasis not upon charity, but upon investment looking to financial return, as the basis for a sound continuance of the movement toward building up a national home for the Jews in Palestine.

## OTHER EVENTS IN THE NEAR EAST

**TURKEY**—Said President Mustapha Kemal in Constantinople: "Your town is the ornament of the Turkish fatherland, placed at the junction of two great worlds. Constantinople is the glory of Turkey's history and the apple of the eye of the Turkish nation, and on this account it occupies a pre-eminent place in the hearts of all our compatriots." Although residing in the vast palace of Dolma-Baghcheh, the President stated that he was the nation's guest there and nothing more.

Announcement has been made that the People's Party has given the President the power normally exercised by a committee of ten, to choose all the candidates for election to Parliament this Fall. Since no opposition party is recognized, this amounts to converting the Parliament into an appointed council.

A decree was issued by the Government permitting any adult to change his religion. At about the same time two young people were sentenced to a month's imprisonment because of publishing an opinion that religion is "as bad as opium-taking," and that "all prophets are liars."

An order was issued for the expulsion from Turkey before Aug. 1 of some 2,000 "White" Russian refugees in Constantinople unless before that date they should elect to adopt Turkish nationality.

**EGYPT**—King Fuad, accompanied by Prime Minister Sarwat Pasha, Grand Chamberlain Said Zulfikar Pasha, and a numerous suite, reached London on July 4, and was welcomed by King George and Queen Mary at Buckingham Palace. The party was entertained with the greatest courtesy and splendor until July 26, when King Fuad traveled to Paris. On Aug. 1 he proceeded to Rome and departed thence on Aug. 6. Official denial was made of political action in connection with the visits, but the Prime Minister remained behind in England for several days after King Fuad departed.

Parliament ended its session on July 14, adjourning until November. Its principal work was the approval of the budget, toward which it voted \$195,000,000, as against an expected revenue of \$180,000,000. Five million dollars was appropriated as a fund

to be loaned at 2 per cent. to agricultural cooperative societies.

The Government agreed to sell about 100,000 bales of cotton to a Russian syndicate, thus reducing the stock which has been accumulating to an embarrassing extent by purchases made during the past three years with a view to holding up prices.

**I**RAQ—The heat of the present Summer season seems to have increased rather than subdued political interest and activity. King Faisal and Premier Jaafar Pasha are desirous of obtaining this Fall the entrance of Iraq into the League of Nations. A clause of the Anglo-Iraqi treaty provides that by 1928 Iraq shall accept "full military and financial responsibility for the preservation of internal order and for the defense of Iraq against foreign aggression." Accordingly, Jaafar Pasha pressed for the passage of a conscription law. Much opposition developed, especially among the Shiites. Probably from this arose the fight of July 10 at the Kadhimain Mosque between Shiah soldiers and civilians, which resulted in some five fatalities and fifty other casualties.

Sir Henry Dobb, High Commissioner, left for England early in July. Immediately thereafter it was reported that the Shiahs had asked and obtained an increase of their

representation in the Cabinet from one seat to five. King Faisal left Bagdad for London by airplane on Aug. 6, hoping to negotiate a revision of the Anglo-Iraqi treaty in the direction indicated above.

The Kurdish chieftain Sheikh Marmoud, after seven years of struggle, has reached an agreement with the British and Iraqi Governments. He is not to enter Iraqi territory without permission; he will not interfere with administration at Suleimaniyeh or elsewhere; he will send his second son to be educated at Bagdad; and in return the British Government will restore his lands and pardon him and most of his followers.

**P**ERSIA—Dr. Arthur C. Millspaugh refused on July 25 to enter upon a new contract with the Persian Government as Administrator-General of Finances. The Cabinet had proposed a considerable curtailment of the powers which he had been exercising and to this he would not consent. Four days later the Parliament passed a resolution requesting the Premier to assume the duties of Administrator-General of Finances, pending the appointment of a successor to Dr. Millspaugh.

The Government has refused to permit British airplanes to fly across Southern Persia and has thus delayed the project to establish a service between Bagdad and Karachi.

#### THE FAR EAST

## Militarists Capture China's Nationalist Organization

By HAROLD S. QUIGLEY

PROFESSOR OF POLITICAL SCIENCE, UNIVERSITY OF MINNESOTA; CURRENT HISTORY ASSOCIATE

**T**HE rift in Chinese Nationalist unity appeared to have reached its natural, if disappointing, climax in threats of a duel to the death between Chiang Kai-shek, head of the Nanking forces, and Ho Chien and Tang Seng-chi, joint leaders of the troops of the Hankow régime. Curiously enough, if reports are accurate, Michael Borodin, over whom the trouble between the factions originated long before the Nanking incident, left Hankow on July 27. Present appearances contribute to pessimism regarding the Nationalist prospects. Influences, partly foreign, partly internal, have attacked the movement since

it reached and passed the Yangtze, disrupting its remarkably effective combination of organization, propaganda and strategy. At this writing it is without striking force as a military agency. General Chiang's loss of prestige, possibly only temporary, redounded to a strengthening of the Hankow Government, but that Government, like those at Nanking, Canton and all other Nationalist centres, lost its civilian character with the ousting of Communist influence.

The main force of Chiang Kai-shek was badly defeated by reorganized troops of Sun Chuan-fang, former *Tupan* of Kiangsu,



early in July, and during the month and early August was forced back upon Pengpu in central Kiangsu. Revolts in Tsinan and Tsingtao favoring the Nationalists were quelled. Apparently the entire province of Shantung was cleared of Southern detachments, a considerable number of their recent converts to the Kuomintang reverting to the Northern leader and Northern pay. A truce was reported on July 16, but hostilities were not long suspended.

With Feng Yu-hsiang, the "Christian General," holding Northern Honan against a possible attack by the forces of Chang Tso-lin, now "Dictator" of the North, and taking no part in the intra-party struggle, the Hankow Government prepared to attempt the overthrow of Chiang Kai-shek. This action followed upon three years of ill-concealed resentment engendered when, in 1924, the Kuomintang voted to admit Communists into the party. Ho Chien and Tang Seng-chi, the two principals on the military side in the Hankow gesture, are both reported as now strongly opposed to the Communist influence and as willing to cooperate. General Ho Chien has been Commandant at Wuchang and has been engaged recently in breaking up farmers' and peasants' unions, with the customary slaughter of alleged Communists. Whether the Hankow threats and boasts would be backed up by actual fighting was uncertain. No important troop movements had taken place up to this writing, but 60,000 Hankow soldiers were reported as in garrison at Wuhu, about 125 miles to the southwest.

In spite of its weakened position the Nanking Government announced its intention of seeking the recognition of the United States. Its Foreign Minister declared that he had appointed Frank W. Lee, a Chinese born in New York, as his emissary with the object of informing this country regarding Nanking's position and purposes. Subsequently, he said, a second representative might be sent to complete the work begun by Mr. Lee.

Of major interest was the question of Borodin's position. Indications were that his status was not altered, though every effort was being made to have it appear that he had been disowned. He left Hankow on July 15, but was back within a few days; left again on July 27; was reported on Aug. 5 a prisoner of Feng Yu-hsiang. As Feng himself is believed to be deeply involved with Moscow it seems unlikely that Borodin's imprisonment was attended with serious privations, particularly as Borodin had

walked straight into prison. Madam Borodin and the three diplomatic couriers captured with her last Spring were freed by the Peking high court on July 12.

Statements and counter-statements emanated from Hankow. Borodin declared that his work was still unfinished, but that he would go if the Government wished it. He refused to believe that Feng's order to leave expressed Feng's own desire. He urged that the United States initiate negotiations for a settlement of the Nanking affair. Madam Sun Yat-sen withdrew from the Hankow group, accusing it of weakening in the face of foreign threats against communism. Eugene Chen poured vitriol upon Senator Bingham's suggestion that the United States send emissaries to each important faction, and suggested instead that the head of the American mission at Peking be changed on the ground that the American Minister was not "fair" to his Government. His suggestion might be read as a "feeler" toward a new basis of negotiation with the various important factions.

Sun Fo, son of Sun Yat-sen and Hankow's Minister of Communications, declared that the Kuomintang was near the crossroads and urged that it reject both communism and fascism and cling to the three "people's principles"—nationalism, constitutionalism and social reform. Chiang Kai-shek issued an appeal to labor in a similar vein, promising protection against capitalist exploitation. At Canton the Bureau of Education issued instructions for the teaching of Kuomintang principles in the schools, including the requirement "to suppress all preaching aimed against change \* \* \* with special regard to specific religions, such as Christianity." That city was temporarily under militarist control by General Li Chai-sum, a Kwangsi man. The dispersed Communists were scattered throughout Kwangtung Province in small armed bands, waiting for an opportunity to regain control of Canton. Relations with Hongkong improved, but to no important extent.

In serious straits for funds the Nanking Government announced its intention of placing in force on Sept. 1 a 12½ per cent. duty on all imports and duties on luxuries ranging between 20 and 62½ per cent., and of abolishing likin, the obnoxious tax on goods in transit, in the provinces under its control. An increase of 50 per cent. in tonnage taxes was enforced on July 11, and a 50 per cent. tax on all tobacco products added another obstacle to trade development. American business men in Shanghai

called upon the Legation to make a strong protest. Kankichi Yoshizawa, the Japanese Minister to China, made a trip to Nanking to confer with the officials there. The Hankow Government also announced increased duties on goods entering or leaving its territory.

A score of foreigners returned to Nanking to test the genuineness of that Government's invitation and guarantee of protection. They reported business as stagnant, ascribing the condition to the power and recalcitrancy of the labor unions which forbid members, though they desire to do so, to work except at wages which foreign firms consider prohibitive.

Dispatches stated that Wu Pei-fu, military genius of the Chihli Party, had effected a grouping of the three Provinces of Kweichow, Szechuan and Yunnan.

Without attaching to Japan's moves in Shantung all the significance imputed to them by certain Chinese observers, there can be no doubt of their immediate importance. Two thousand additional troops reached Tsingtao from Dairen, the 2,000 previously at Tsingtao being moved to Tsinanfu, 256 miles inland, or stationed in small detachments along the railway connecting the two cities. In doing this the Japanese Government issued a statement that it feared the cutting of the railway line and declared its action to be "an emergency measure of self-defense for the security of Japanese residents, implying no intention other than protection of nationals." The sending of a hundred railwaymen and telegraphers indicated the prospect of Japanese utilization of the railway facilities. The Foreign Office took occasion to deny that these measures could be regarded as concealed support to Chang Tso-lin. American, British and Italian cruisers were sent to Tsingtao, as well as a considerable force of Japanese warships. At present there are in Chinese waters 164 foreign naval vessels and on Chinese territory about 44,000 foreign soldiers.

The Chinese Nationalists viewed the sending of Japanese troops as directed against their campaign and boycotts were declared at Canton, Amoy, Swatow and other ports. Color was lent to the Nationalist view by the reverses above described, which followed closely upon the Japanese occupation. Fear was also expressed that Japan's ultimate object was the regaining of Tsingtao and the railway. The Peking Government addressed a new note to Japan, demanding the withdrawal of troops from all

places in Shantung. Japanese newspapers were, in general, extremely critical of the sending of this second expedition.

J. V. A. MacMurray, the American Minister to China, was instructed to return to Washington for a consultation. Secretary Kellogg declared that he would return to his post.

Hankow advices stated that the British there do not want their former concession returned and that the taking over by the Chinese has not resulted in noticeably worse conditions.

The Chinese Salt Inspectorate issued a notification that the proposal of the Nanking Government to use the salt revenues of Kiangsu and Chekiang as security for a loan of \$30,000,000 gold could not be recognized, since it would violate the reorganization loan agreement of 1913.

[The resignation of Chiang Kai-shek from his post as Commander-in-Chief of the Nanking revolutionary armies, was reported on Aug. 15, as this article went to press.]

**JAPAN**—The Japanese Government has created a commission on population and conservation problems, composed of some fifty members, headed by the Premier.

The Government sought a method of saving the Kawasaki dockyard and the Fifteenth Bank, its auxiliary. The former needed 30,000,000 yen to continue in business and it owed 70,000,000 yen to the bank. Many peers would lose heavily if the bank were not rehabilitated. The Government assumed the obligations of the Industrial Bank to redeem an American loan of \$22,000,000 on Aug. 15, 1927. Many banks are amalgamating. It was decided that henceforth the activities of the Bank of Formosa or Taiwan should be limited to the island. Yen exchange was firm. A résumé of business conditions published in Tokio on Aug. 3 indicated that depression continued.

**THE PACIFIC**—The second conference of the Institute of Pacific Relations met at Honolulu from July 15 to July 28 with an attendance of 128 experts on Pacific issues. The situation in China constituted the focus of discussion and the problems of Japan were also carefully scrutinized. Considerable attention was given to a study of the international machinery for settling issues which might arise between countries bordering on the Pacific and for maintaining peace in the area.



## Athens

*Pride  
of the  
Ancient  
World*

Every civilization has drawn inspiration from Grecian arts and letters—from the genius of her great men and the chaste beauty of her immortal ruins—the Acropolis, Areopagus and Mars Hill; the Parthenon, Temple of Zeus, Theseion, Theatre of Dionysos and many other ancient monuments. All this and more on the

### Mediterranean Cruise Supreme

on the specially-chartered New White Star Liner

HOMERIC—"The Ship of Splendor"

Sailing from New York January 21—Returning March 28, 1928

Madeira, Cadiz, Gibraltar, Algiers, Athens, Constantinople—a long stay in Egypt—the Holy Land, Italy, the French Riviera, etc.

*Ask for the illustrated Story*

### Thos. Cook & Son

New York Philadelphia Boston Chicago St. Louis San Francisco  
Los Angeles Portland, Ore. Toronto Montreal Vancouver



Continued from Page xix.

ceived more favorable treatment. American railways received cash from the Treasury, but it was American cash raised by taxation levied on these same railways, while British railways received American cash raised by American taxation for identical services and not British cash raised through taxation.

(10.) The nation was no richer through the Food Ministry charging an increment on food procured on American credit and sold in Britain, but a profit was realized by the Exchequer on American money, which decreased the Exchequer's debt by the profit made in the case of the former and increased the American Treasury's debt by the total advances made for food purchases in the case of the latter. There profits have been coming out of American taxpayers' pockets and will continue to do so as long as the cost of money to the American Treasury is more than Britain is paying in interest to the Treasury on the food credits.

(11.) Page 594, Footnote 21. France has paid interest since and during the war on its principal obligations, totaling \$3,340,516,043.72, of \$231,569,831.44. The interest due at the same time (Nov. 15, 1925) and unpaid was \$963,496,233.83. No interest was paid on Liberty Loan advances prior to funding. The interest paid was only on obligations received by the Treasury from the Secretary of War and the Secretary of the Navy for material sold the French Government under the Act of July 9, 1918. As the French bonds floated in Wall Street prior to our entry were redeemed by the Treasury by funds advanced to France through the Liberty Loan act, no interest has been paid on them by the French Government since they were redeemed, and the American Treasury has been paying the total interest at the rate that it costs the Treasury to secure money. "Technically" was used as the bonds were retired and not actually "at the rate the Treasury is able to borrow from American lenders, less whatever is received from France in return," as you state.

(12.) It was one thing to borrow in order to pay for American imports into Britain, although it was not necessary, due to the American securities held by the British people, but it was quite another matter to use our advances in the foreign exchange market to keep their exchange up and lower ours. What is your opinion of a man in the Potomac who pushes a rescuer down beneath the surface, so that he may keep himself above the surface? The rest of your reasoning on this subject does not warrant explanation.

(13.) Page 594, second paragraph. British exchange was pegged at \$4.75 7-16 by buying it whenever offered, with American dollars. When this support was withdrawn it dropped to \$3.19. Can you possibly understand with your "reader's intelligence" that less dollars would have been required to purchase sterling with which to pay for requirements from Britain if the pound had been permitted to take its natural course? The fifty millions loss was estimated in a most conservative manner by considering the gradual decline in sterling and the times at which dollars were sold to purchase the sterling, otherwise the figure would have been much higher. Your following dissertation might class you by the Hottentots as a modern Cobden. Payments are made when and where purchases are required, not at the whim of individuals.

(14.) Your reference to Mr. Mellon's reply to

the British note regarding payments from the Bank of France to the Bank of England would not have been made had you known the activities of those banks and the activities of the American Treasury. The Bank of France and the Bank of England do not correspond to our Treasury in many respects, nor do they correspond to our private banks and bankers.

A perusal of the "Combined Annual Reports of the World War Foreign Debt Commission," issued by the Treasury, an elementary study of economics and reading of European history might clarify your present vague impressions and rectify your method of reasoning.

C. C. LESLEY.

Swarthmore, Pa.

\* \* \*

## WAR FABLES IN SCHOOL BOOKS

To the Editor of *Current History*:

As a student and a teacher of history, I appreciate Lieut. Col. Dickson's keen passion for accuracy of historical fact. I should, however, like to raise a much deeper question, namely, why teach naval or military history at all? This phase of history is for those interested in military science, and should not be the primary concern of the grammar or high school student. History should be concerned with the economic and social development of a people. Wars should be treated with adequate reference to economic and political causes and results. An excellent opportunity in this direction is afforded to any ambitious writer of texts. I, too, have examined several of the texts mentioned by Colonel Dickson, and not a single one of them approaches the causes of the war from any true standpoint. They still refer to the causes of the war as the assassination of Archduke Ferdinand, German autocracy and German militarism—the old wartime myths. It is peculiar that a Lieutenant Colonel should have failed to observe this. These are harmful "fables." Teaching half-truths will eventually, I believe, result in more harm than untruths. Let us therefore minimize the military details and give more attention to a more truthful presentation of other factors of history.

F. L. WARNE.

Upper Saranac, N. Y.

\* \* \*

## A TEXTBOOK WRITER'S REPLY

To the Editor of *Current History*:

In the article "War Fables Taught in American Schools," contributed to your August issue by Lieut. Col. Thomas J. Dickson, I find this comment: "The *History of the United States*, by C. H. McCarthy, states that an American division on May 28 took Cantigny and such other places indicated for them, when no other places were indicated." Since General Pershing's first report became available to the public I have not examined my pages on the World War. My text, it is true, has

Continued on Page xxvi.

# GREAT WHITE FLEET

## Caribbean Cruises

WHEN you plan to cruise southward this winter, think of the romance and history that clusters round every port of call in the Golden Caribbean.

... and your memories of the past are made more enjoyable by luxurious comforts of the present. For Great White Fleet ships are built especially for tropical cruising. Every room is an outside room open to views of sea and sky; food served is equal in variety and quality to that served in any first-class hotel.

... and there is a fine degree of personal service that makes good the slogan of the Great White Fleet — "Every Passenger a Guest."

**Sailings from New York and New Orleans twice every week in the year**

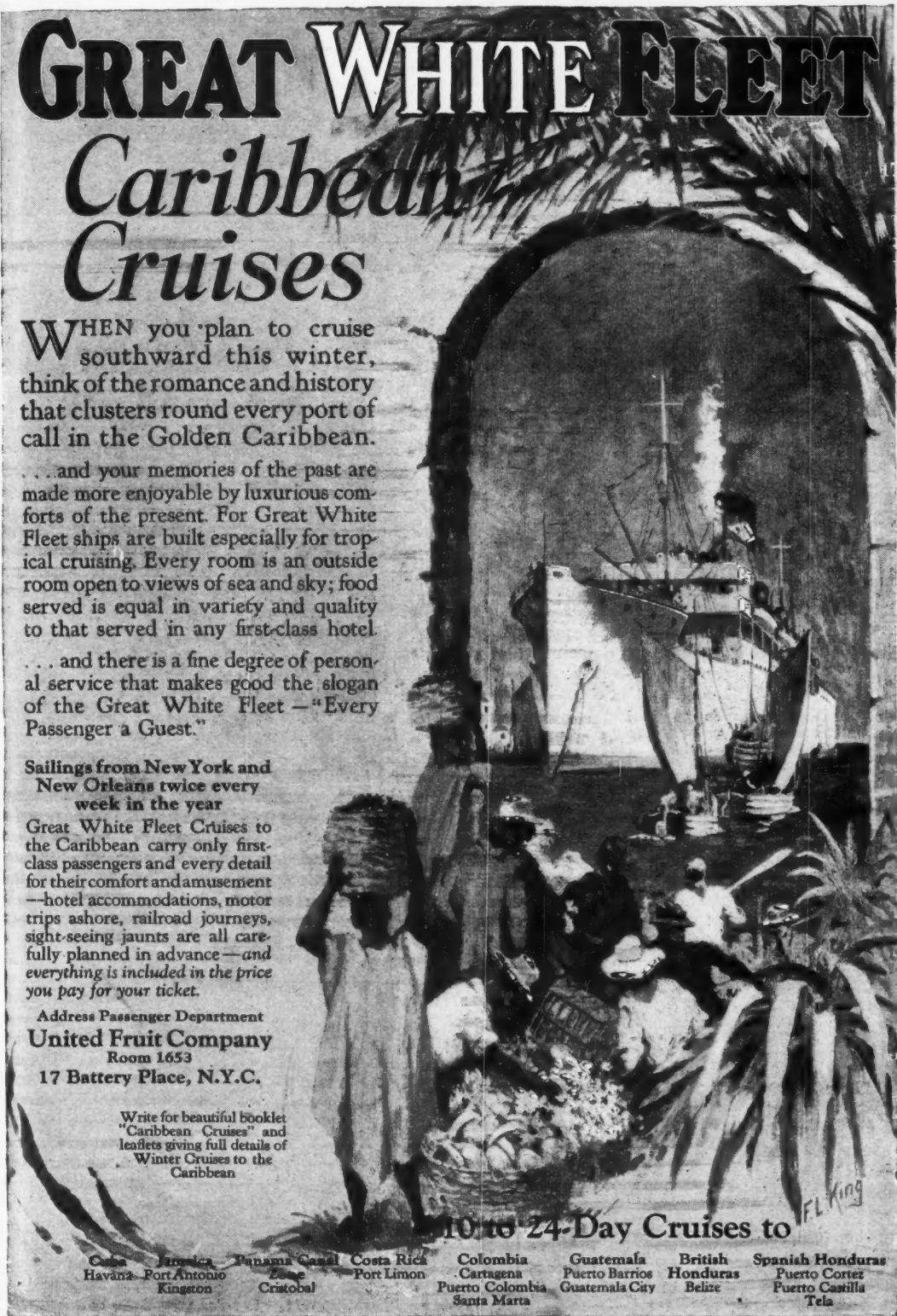
Great White Fleet Cruises to the Caribbean carry only first-class passengers and every detail for their comfort and amusement — hotel accommodations, motor trips ashore, railroad journeys, sight-seeing jaunts are all carefully planned in advance — and everything is included in the price you pay for your ticket.

Address Passenger Department  
**United Fruit Company**  
Room 1653  
17 Battery Place, N.Y.C.

Write for beautiful booklet  
"Caribbean Cruises" and  
leaflets giving full details of  
Winter Cruises to the  
Caribbean

**10 to 24-Day Cruises to**

Cuba	Jamaica	Panama Canal	Costa Rica	Colombia	Guatemala	British Honduras	Spanish Honduras
Havana	Port Antonio	Zoo	Port Limon	Cartagena	Puerto Barrios	Belize	Puerto Cortez
	Kingston	Cristobal		Puerto Colombia	Guatemala City		Puerto Castilla
				Santa Marta			Tela



Continued from Page xxiv.

been continued, but so far as concerns our connection with the great struggle it has not had the benefit of the later researches of experts or the first-hand knowledge of participants.

\* \* \* My offending paragraph reads as follows: " \* \* \* On May 28 an American division, confident of their training and eager for the test, with splendid dash took the town of Cantigny and all other places indicated for them. These they steadily held in the face of vicious counter-attacks and an artillery fire of deadly precision."

The exaggeration in my text appears to be found not in my mention of the capture of the village or in the statement that it was held in the face of repeated and vehement counter-attacks, because these are facts, but is to be sought in my assertion that the First Division was assigned other objectives. As Lieut. Col. Dickson was in a position to know, Cantigny was a First Division affair. As I recall the accounts in the New York, Philadelphia and Washington newspapers, they informed us that the victorious division took, in addition to the little town, all the surrounding defenses and consolidated its new positions. If there had been immediately after those three eventful days other actions of even slighter importance, I should have noticed the circumstance in a footnote. Coming in the dark days when it did, the fighting of May 26-28 was doubtless overstressed by the gratitude of the Allies. At that time they were unaccustomed to receiving tidings of victory. With one who was a part of the fighting, or at any rate an interested spectator, I shall not contend for the perfect accuracy of my statement, but his describing it as an exaggeration persuades me that he is digging for faults.

Colonel Dickson further believes that my calling the struggle for Belleau Wood a "battle" justifies his citing it as a "textbook exaggeration," because General Headquarters, A. E. F., has defined it as a "local engagement." Though that is, to be sure, a more formal expression, and suggests a conflict of limited range, I am convinced that children of the seventh and eighth grades, amongst whom my readers are found, will derive from the familiar word used by me a clearer idea of the nature of the happenings between June 4 and June 25, 1918, than would be conveyed by the use of the more rare official designation. When I revise my book, I shall use the expression, for a paragraph heading, "The Fight for Belleau Wood," as one better adapted to the capacity of children. \* \* \* With the highest esteem for the adequate military knowledge of General Headquarters, and a due measure of respect for its acquaintance with

the English language, it is nevertheless my opinion that the words "local engagement," though they discriminate the conflict from a battle, do not truly denote the protracted and desperate fighting for the Wood of Belleau, which General Degoutte ordered thereafter, in all official papers, to be named *Bois de la Brigade de Marine*.

Is it the insignificance of this affair which makes it an exaggeration to refer to it as a "battle"? In pure as well as in applied literature the fighting on June 17, 1775, near Charlestown, Mass., is generally mentioned as the Battle of Bunker Hill. Bull Run, too, the first serious conflict in the war for Southern independence, is always mentioned as a battle. Yet the casualties of both armies in the former engagement amounted to only 1,504, whereas the list for both armies in the Civil War conflict was but 4,878. In other words, in those engagements, commonly called battles, the casualties of the belligerents amounted to about 6,382. In the struggle for Belleau Wood, on the other hand, the American losses alone (killed, wounded and missing) totaled 7,870. I am aware, of course, that in the World War the scale of operations was immensely greater. That my book attempts to make a distinction between battles and subaltern actions will be obvious from a footnote, Page 472, which assembles several American exploits and of them collectively remarks: "Though, compared with the great battles of the war, these were minor engagements, they were important enough to show the superiority of American soldiers."

In the index of *These Eventful Years*, II, Page 665, one may read, "Belleau Wood, battle of \* \* \*" In Volume I, Page 296, where the subject is discussed, Frank H. Simonds, a renowned journalist, who has himself been a soldier, states that "of the various engagements in which American troops participated, at least five—namely, Cantigny, Belleau Wood, the Aisne-Marne, St. Mihiel and the Meuse-Argonne—may fairly be described as battles, although the first two were, reckoned in the scale of World War conflicts, no more than local affairs \* \* \*"

Again, Colonel Dickson says that my book "has us capture 26,059 in the Meuse-Argonne offensive, which should be 16,059." Turning to the *Final Report of General John J. Pershing*, covering the period from Sept. 26 to Nov. 11, we read, Page 53: "The First Army suffered a loss of about 117,000 in killed and wounded. It captured 26,000 prisoners, 847 cannon, 3,000 machine guns and large quantities of material." Though, to use an Irish idiom, I appear to have captured fifty-nine Germans who escaped, my failure to include the spoils makes my judicious ex-

Continued on Page xxviii.



# CURRENT HISTORY TRAVELER



*Business Trips*

## SOUTH AMERICA

*Pleasure Tours*

**W**HETHER on business or vacation, eager for new enthralling scenes, the Grace Line route to South America satisfies every demand.

The Santa Steamers famed in North and South America for their speed, cleanliness and homelike atmosphere will be your luxurious home enroute. All outside rooms. Laundry. Swimming Pool. Unexcelled cuisine and service. Every effort made to fill your cruise full of rest or recreation, as you wish. Intelligent co-operation both afloat and ashore to make your trip comfortable and delightful in every respect.

Fill out the coupon below for further information.

### GRACE LINE

10 Hanover Square New York

Please send me further information and illustrated booklets on the Grace Line Service to South America.

Name .....

Address .....

Join  
OUR  
4th  
ANNUAL  
MARDIGRAS  
CRUISE  
TOUR TO  
**SOUTH  
AMERICA**  
BY J.S.  
**VAN DYCK**  
JAN. 21, 1928  
58 DAYS \$995. UP  
INCLUSIVE OF  
HOTELS ASHORE  
SIGHTSEEING ETC.  
R.-S.V.P.  
**LAMPORT &  
HOLT LINE**

Sanderson & Son, Inc.  
26 BROADWAY, NEW YORK  
OR YOUR LOCAL TRAVEL AGENT



## Across the Atlantic

ENGLAND · FRANCE · IRELAND · GERMANY

### Hamburg-American Line

Eighty years of progressive experience in rendering service to discriminating travelers. Now a fleet of new and splendid steamers—some de luxe liners with first, second, and improved Third Class accommodations. Other comfortable liners for Cabin and improved Third Class exclusively. All modern oil burners.

#### *Around the World*

S. S. RESOLUTE

Sailing Eastward from New York

Jan. 7, 1928 - 140 days

30 countries - 63 cities

Rates: \$2000 up.

#### *To the West Indies*

S. S. RELIANCE

Dec. 17, Jan. 7 and Mar. 28

15 or 16 days—\$200 up.

Jan. 25 and Feb. 25

27 days—\$300 up.

### HAMBURG-AMERICAN LINE

UNITED AMERICAN LINES, INC., General Agents

28 Broadway, New York, Branches in

Boston

Chicago

Philadelphia

San Francisco

Or Local Steamship or Tourist Agents

THE NEW YORK TIMES daily collects and prints the news of the world completely, accurately, promptly. No other newspaper offers so thorough a news report of all the events of interest to intelligent, thoughtful readers. National and foreign affairs, local happenings, sports, business, finance, science, education, the theatre, music and art, society, are all covered by a staff which gathers all the news that's fit to print.

A daily reading of The New York Times is the most liberal education the printed word affords.

Read  
Every day in the week  
The New York Times

Continued from Page xxvi.

aggregation in prisoners of war resemble an underestimate.

There may be in my condensed outline of American participation in the World War a few faults of diction and a few constructions that can easily be improved, but there are no exaggerations. The worthy critic himself does not always write by the card. His objection to my use of the word "battle" is about as trifling as it would be in me to correct him for mentioning the "Congressional Library," which, I believe, is the Library of Congress.

CHARLES H. MCCARTHY.

Washington, D. C.

\* \* \*

### AMATEUR DIPLOMACY

To the Editor of Current History:

The article entitled "Amateur Diplomacy," by Albert Bushnell Hart, in CURRENT HISTORY for July seems to take a very pessimistic view of recent efforts of Professor James T. Shotwell and others to bring about conditions to insure perpetual world peace. He deplors the fact that mere laymen, ordinary citizens, individually or through organizations, should have the temerity to advise our public officials, especially in matters of foreign relations. "The ruling notion," says Professor Hart, "in all these movements is the belief that the State Department, the Secretary of State, the Diplomatic Corps and, if you go back far enough, the President of the United States, are all incompetent."

If it is not the right of a citizen to make suggestions to the people who hold office I have the wrong idea of what democracy is; and if men like Dr. Shotwell, who have made a life study of governmental affairs, are not capable of making a useful suggestion now and then, I have wrong ideas of amateurs and professionals. The fact is, many of our office-holders are not specialists in the lines of the duty that devolves upon them. They have spent most of their lives in other fields and, in short, in public affairs they are amateurs. Is there a tariff expert in Congress equal to Professor Taussig? Or a tax expert equal to Professor Seligman?

Professor Hart, furthermore, speaks very disparagingly of the Shotwell plan of arbitration, comparing it with the Bryan treaties of 1913. He then goes on to agree that there can be no permanent peace in Asia Minor and Europe and Turkey, and that means the rest of the world also. In other words, Professor Hart seems ready to cast aside all projects for preventing war by arbitration because there are a few things that cannot be arbitrated. Here and there you will find one who will say,



# CURRENT HISTORY TRAVELER



Independent and Group  
**TOURS TO EUROPE**  
Special Inclusive Price Tours to Havana,  
Bermuda, Hawaii, West Indies & California  
SEND FOR BOOKLET "B"  
**O'DONNELL-MURRAY TOURS, INC.**  
"Friendly Service  
for All Your Travel Problems"  
**TIMES SQUARE HOTEL**  
New York City

## AROUND THE WORLD \$990

The "Allen Plan" Does Save  
Money.  
Europe, 37 Days, for \$295, Mediter-  
ranean Cruise, \$390. Not dreams, but  
history. Now we again make history.  
Booklets 200 tours throughout the year.  
**ALLEN TOURS, Inc.,**  
Little Bldg., BOSTON

**H**ERE are the an-  
nouncements of  
recognized travel service,  
steamship and railroad  
lines, hotels and resorts  
the world over.

When corresponding with  
advertisers, please mention  
*Current History*, or send  
postage to this department  
for booklets.

## For Your Foreign Trip

**T**O HAVE your travel  
funds in convenient and  
safeguarded form take a  
Guaranty Letter of Credit  
with you.

It will assure to you also  
the courtesies and varied  
services of our foreign of-  
fices and of our banking  
correspondents in every ac-  
cessible section the world  
over.

Obtainable at banks  
throughout the country or  
from this Company direct.

Booklet, "Banking Facilities  
in Europe," on request

**Guaranty Trust  
Company  
of New York**  
140 Broadway



By Cunard Line Big New Oil Burners  
at rates including hotels, guides, drives, fees

**65 Days, \$600 to \$1700**

## THE MEDITERRANEAN

ss "Transylvania" sailing Jan. 25th

24th cruise, including Madeira, Lis-  
bon, (Madrid) Spain, (Granada)  
Algiers, Tunis, Carthage, Athens,  
Constantinople, 15 days Palestine and  
Egypt, the Riviera, Havre, (Paris)  
Europe stop-over.

**8th World Cruise (Westward)**  
Jan. 16; 125 days, \$1250 to \$3000.

**FRANK C. CLARK**  
Times Building, New York

"Of course, there will always be wars; you can't change human nature." So they said about dueling a century ago. Such cheap and shallow "argument" is worthy of the cave man. Certainly you can't change human nature, but you can change human habits. What would the feudalists of the Middle Ages or the Scottish clansmen of three centuries ago have thought had they been told that tribal warfare would become a thing of the past?

Arbitration treaties must of course be based on common sense and, if later problems arise, they can be dealt with when the time comes. In our personal differences with our neighbors we are obliged to arbitrate, sometimes before a court; but we never need to protect our "right to exist," because our laws are based on common sense. Nearly any law or treaty could be brought to *reductio ad absurdum*, if carried far enough. Even the Golden Rule is not applicable to the maniac with suicidal tendencies. Shall we, in the fear of some remote contingency which would prob-

ably never arise, throw overboard the whole idea of arbitration? The alternative is for the world to go on as it has been doing in the past, and to wade through another Armageddon once in a while—and that would mean, with our great advance in science and invention, the eventual suicide of human civilization. I hope that public opinion will force (if force is needed) the adoption of the Shotwell suggestions or something similar.

H. W. ELSON.

Plainfield, N. J.

\* \* \*

The October *CURRENT HISTORY* will have as its principal feature a group of articles on what is generally known as the Woman Question. In addition to articles written by such leading American feminists as Mrs. Carrie Chapman Catt, there will be included in the symposium articles by European authorities, such as Magdaleine Marx, the well-known French novelist, and Anthony M. Ludovici, an English writer whose attitude toward feminism is highly critical.



# World Finance—A Month's Survey

By D. W. ELLSWORTH

ASSISTANT EDITOR OF *The Analyst*

FOR the first time in several weeks the stock market broke into the front pages of the newspapers as a result of President Coolidge's announcement that he did not choose to be a candidate for re-election in 1928. The news reached financial centres after the close of the market on Aug. 2, and the next morning stocks opened off 3 to 15 points from the previous day's close. After a half-hour of heavy liquidation, however, prices rallied sharply and for the remainder of the week followed an irregular trend.

It is probable that the effect of the Coolidge announcement on the security markets was greatly exaggerated in most of the newspaper accounts. Throughout July stocks advanced with truly extraordinary rapidity, as may readily be appreciated from the fact that from a closing figure on June 30 of 207.24 the average of twenty-five representative industrial stocks rose scarcely without interruption to 232.05, the closing average on Aug. 2. The market had thus by its swift advance worked itself into a highly precarious technical position in which a sharp corrective reaction was the logical thing to expect without the assistance of any sensational news such as the Coolidge announcement conveniently provided.

The cause of the rapid advance in stock prices undoubtedly lay to a considerable extent in the unexpected easing in the money market which occurred in July, particularly in the last half of the month. As the month advanced, moreover, it became increasingly clear that the time was approaching when the Federal Reserve Banks, and more particularly the New York Reserve Bank, would reduce their rediscount rates. Contrary to the usual seasonal tendencies, all classes of money rates, including commercial paper, Stock Exchange time money and call loans declined, and toward the end of the month pronounced weakness developed in rates on bankers' acceptances. It was the first time since the Spring of 1926 that rates on the principal maturities of bankers' acceptances had fallen more than one-half of 1 per cent. below the New York rediscount rate, and on that occasion a reduction in the rediscount rate resulted promptly. The general expectation that the Federal Reserve Bank of New York was about to reduce its official rate grew moreover, with the announcement on July 28 that the Kansas City Reserve Bank had reduced its rediscount rate from 4 to 3½ per cent., which was followed in

a few days by a similar announcement by the St. Louis bank.

The effect on security and foreign exchange markets of the reduction in the New York rediscount rate, which was announced on Thursday, Aug. 4, was about as expected. With respect to security markets, we say "as expected" advisedly, however, as the event was almost universally interpreted as an unqualifiedly bullish factor in the stock market, with the customary failure to take into consideration the fact, as noted above, that the market for more than a month previously had been discounting the event in advance.

The more astute market observers carefully avoided this error. For example, "A. McB.," writing in *The Analyst* of Aug. 5, analyzed the situation as follows: "This \* \* \* forecasts a reaction—a technical decline of a week or more, but nevertheless fairly extensive in some of the issues which have been most sharply advanced. It is likely to set in immediately the effect of the reduction of the New York bank rate has been absorbed—which should not take longer than to Monday noon." This diagnosis of the market situation turned out to be correct. There was a rush to buy stocks on the morning following the announcement, but the rally lasted only until noon. Thereafter a general decline set in which persisted until Monday, when there was a short rally. Late Wednesday and Thursday witnessed a renewal of the bear attack, and the real leaders in the decline were the investment issues which had been most prominent in the July advance. Between the Friday morning (Aug. 6) following the announcement and the close on the following Thursday (Aug. 11) General Motors, Allied Chemical and American Smelters each lost 10 points, Hudson, Woolworth and Atchison 8 and United States Steel 6.

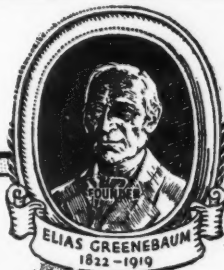
On the next day (Friday, Aug. 12) occurred the most drastic decline in stock prices since the memorable break of March, 1926. The outstanding event of the day was the collapse in a number of so-called specialties which had been sharply advanced by pool manipulation to unreasonably high prices. Manhattan Electrical Supply, the outstanding example, had been run up from 53½ in January to 132 in August and closed on Aug. 10 at 120½. This stock developed acute weakness following the announcement of an investigation by Stock Exchange authorities of an alleged corner and in

the two days dropped to 50%. This collapse resulted in the failure of the firm of A. L. Fuller & Co., which in turn brought about heavy selling and general demoralization. The extent of the decline is shown by the averages of 25 representative industrials, which from a high of 232.94 on Aug. 2 fell to a low of 217.89 on Aug. 12.

The effect on foreign exchange markets was more constructive. Sterling rallied immediately and rose to a new high for the year, thus relieving an increasingly tense international credit situation in which the Bank of England faced the alternative of raising its discount rate or losing more gold. Other foreign exchanges moved up to a new adjustment with sterling, and the Bank of England found itself once more in a position to bid successfully in the open market for gold.

In many quarters the unexpected and unseasonal decline in interest rates was believed to be the direct result of the conference of the heads of the three leading central banks of Europe with Governor Strong of the Federal Reserve Bank of New York, the significance of which was commented upon at some length in these columns a month ago. The reserve bank has, indeed, on occasions in the past when a reduction in the discount rate was believed to be desirable, exerted its influence on the money market through open market operations, mainly in the purchase or sale of Government securities. On this occasion, however, the decline in open market rates around the middle of July came as a surprise because there was no indication in the weekly statements of the reserve banks that definite action toward preparing the way for a reduction in the rediscount rate was being taken.

*The Monthly Review of Credit and Business Conditions* issued on Aug. 1 by the New York Federal Reserve Agent ascribes the decline of open market rates to a large return flow of currency from circulation, to some decrease in demand for bank credit and to substantial transfers of funds from the interior to New York. Preliminary returns indicated also at least a small net import of gold in July, following net imports in the first six months amounting to \$131,500,000. Loans on stocks and bonds and commercial loans, on the other hand, decreased on the average only slightly more than the usual seasonal amount from June to July, and although there was a moderately large drop in investment holdings of member banks, it was difficult to assign this as an important factor in the lessening of the demand for bank credit. Whatever the cause, it is evidently the intention to keep money easy for the present, despite the rise in brokers' loans by New York City member banks



## The VISION that builds well

Few pioneers of the early days could foresee in the American cities of their time the towering hives of industry that we now find in all the large centers of population. Yet vision of this kind is an essential factor in the creation of sound investments. Such vision leads at times to negative decisions made in the interest of safety. The ruling policy of this house is a progressive conservatism which has been largely responsible for its success through 72 years of safe and continuous operation.

### Send for Investors Guide

Our Investors Guide will lead you to complete investment satisfaction and service, wherever you live. Write today. Use attached coupon.

## Greenebaum Sons Investment Company

OLDEST REAL ESTATE BOND HOUSE  
FOUNDED 1855—CHICAGO

Offices in Principal Cities

Affiliated with Greenebaum Sons Securities  
Corporation, New York

### Mail This Coupon

179

Greenebaum Sons Investment Co.  
La Salle and Madison Sts., Chicago

Please send without charge or obligation  
copy of Investors Guide and current list  
of Greenebaum offerings.

Name.....

Street.....

City..... State.....

**Safeguarded Bonds**

## Factors of safety in *Electric Power Bonds*

The electric light and power company bonds which we recommend are sound because the companies show marked stability of earnings; they enjoy steady growth; their rates (fixed by law) are reasonable; their sales are for cash; inventories are small and the companies operate in their respective communities without competition.

*You will profit by reading our free booklet,  
"Public Utility Securities as Investments."  
Gladly sent upon request.*

Ask for AJ-2453

**A.C. ALLYN AND COMPANY**  
INCORPORATED

67 West Monroe Street, Chicago

New York  
Boston

Philadelphia  
San Francisco

Milwaukee  
Minneapolis

Every Dollar that has become due on First Mortgage  
Building Bonds sold by us has been paid to Every Investor

## 6% First Mortgage Bonds

If you are seeking safe investments  
send for our latest list—6333

**AMERICAN BOND & MORTGAGE CO.**  
ESTABLISHED 1864 INCORPORATED  
Capital and Surplus over \$9,000,000

127  
No. Dearborn St.  
Chicago



345  
Madison Ave.  
New York

AN OLD RESPONSIBLE HOUSE

## Washington 1<sup>st</sup> Mortgage Notes 6%

6% First Mortgage Notes on  
high class, improved properties  
in Nation's Capital—loans not over 60% of conservative  
valuations. Write for information.

**SHANNON & LUCHS, INC.,**  
Dept. 159, McPherson Square North, Washington, D. C.

to a new high record as recently as Aug. 10, for the statements of the combined Federal Reserve Banks for both Aug. 3 and Aug. 10 show sharp increases in holdings of Government securities, and this at a time when seasonal influences ordinarily bring about a reduction.

Despite the lack of evidence in the figures of commercial loans by member banks of any substantial subsidence in the demand for bank credit, the available statistics on industrial activity in the United States point irrefutably to an appreciable slackening in July. Bank debits to individual accounts in leading cities throughout the country, allowing for normal seasonal influences, declined in July for the third successive month. Pig iron production, steel inot production and freight car loadings decreased by somewhat more than the usual seasonal amount, and although the declines were in no case extensive, the uniformity of the downward movement in all the various business indices was striking.

The construction industry furnishes the outstanding exception to the above generalization. The value of building contracts awarded throughout the country rose to a new high record for all time in June, and the total for July, although approximately \$100,000,000 lower than the total for June, showed a decrease of but slightly more than the usual seasonal amount. The huge volume of building now in progress is due, however, to activity in engineering and large buildings, and the question naturally arises as to how much longer the construction industry can continue to serve as the mainstay of our prosperity in the absence of more favorable developments in other directions.

As observed in this review last month, the sharp increase in loans on stocks and bonds, commonly referred to as brokers' loans, was attributed in some quarters to the large amount of undigested securities in the hands of issuing houses and their participating dealers. Although it is doubtful if this was the case, subsequent events have shown that the bond market at about the middle of the year was suffering from a plethora of unsold portions of new issues, and the publicity given the matter through the undoubtedly erroneous connection with the expansion in brokers' loans has served to correct the situation to a considerable extent. Several of the issuing syndicates which were supporting the market for their securities announced that they had dissolved, thus leaving the various issues to find their natural level in the open market; and still more effective, the volume of new security issues was sharply reduced in July. According to the compilation of *The Commercial and Financial Chronicle*, total new securities offered in that month were only \$482,-



768,653, as against \$922,061,932 in June and \$946,769,379 in May, the record month.

It is yet too early, of course, to gauge the effect which the changed credit situation will have on British trade and industry. Despite difficulties in the export industries, such as coal, cotton, wool, steel and iron, data on industrial employment indicate that except for coal mining industrial activity in the second quarter of the year was at the highest level since 1924. Last January the number of insured unemployed persons was 1,452,000; at the end of the quarter it had fallen to about 1,000,000, and on Aug. 1 the number stood at 1,119,800, as against 1,618,800 on Aug. 2, 1926. Export trade is still suffering, however, as shown by the London and Cambridge index of the value of exported manufactures, which fell to 140 in June from 150 in May. Coal output, which ordinarily provides a substantial portion of Great Britain's export trade, has fallen seriously. In the week ended July 16 it was 4,393,000 tons, about 700,000 tons below normal.

Sir Philip Cunliffe-Lister, President of the Board of Trade, recently presented to the House of Commons some interesting statistics on the present position of Great Britain's foreign trade. For the first half of 1913 the visible adverse trade balance was £78,000,000; for the corresponding period of 1927 it was more than £209,000,000. He attributed the decline in British exports partly to a decrease in world consumption but mostly to the success of competitive nations. Thus Great Britain's share of world exports in manufactured goods fell from 28 per cent. in 1913 to 25½ per cent. in 1925, whereas the shares of the United States and Japan were substantially increased in the same period.

In France the financial situation shows little change. Money rates remain low and there has been an increase of activity on the Bourse. Unemployment has shown a steady decrease, but there are still complaints about the slackness of internal trade. Foreign trade returns for June show an excess of imports over exports of 140,684,000 francs and for the first six months an excess of imports over exports of 166,000,000 francs. This, however, compares favorably with the figures for the corresponding period last year, when the excess of imports amounted to 2,664,500,000 francs. The Bank of France appears to have almost ceased buying foreign exchange.

The situation in Germany likewise shows improvement with respect to the number of workers employed. Trade and industry are still booming, but the activity is mostly in domestic rather than in foreign trade. After a lull of several months German loans are again being floated on an important scale in the United States.

## CHILE'S CONTRIBUTION to American Agriculture

**A** PLENTIFUL supply of nitrogen in the proper form is essential to growing plants.

Few soils in this country contain enough of this kind of nitrogen to insure abundant and profitable crops.

From the vast mineral deposits on the west coast of Chile comes a natural fertilizer material known as *Chilean Nitrate of Soda*. This contains nitrogen that is immediately available for the plant's use. When properly applied to the soil, it promotes healthy growth and early maturity, increases yield and improves quality.

By thus enabling the farmer to produce better crops at a greater profit, Chilean Nitrate of Soda has for many years been making a distinct contribution to American agriculture.



## CHILEAN NITRATE OF SODA

### *Educational Bureau*

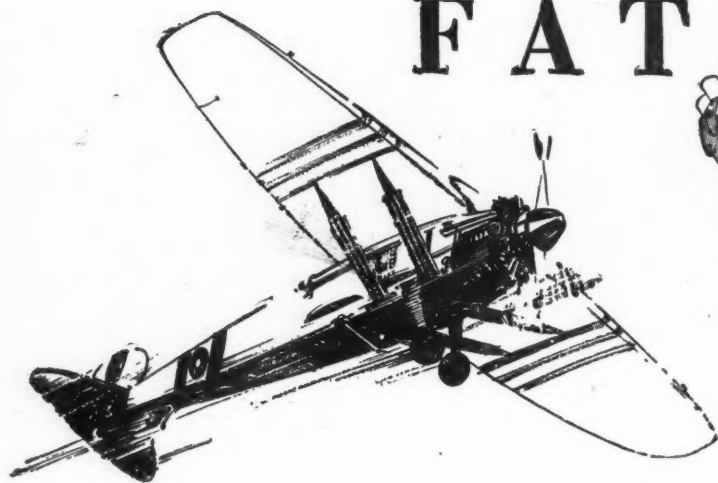
MAIN OFFICE  
57 William Street New York City

# "ACE HIGH" WITH THE YOUNGER CROWD

ORDINARILY, this modern generation scorns precedent.

History is nevertheless repeating—in a way which we find interesting and gratifying. Something about Fatima—its greater delicacy, its more skillful blending of flavors—has made it, as in other days, an outstanding favorite with the younger set.

## FATIMA



QUALITY *that makes friends everywhere!*

Copy 2  
SEPTEMBER

PERIODICAL ROOM  
GENERAL LIBRARY  
UNIV. OF CALIF. AUG 28 1927

# Current HISTORY

LATIN-  
AMERICAN  
NUMBER

## UNITED STATES POLICY TOWARD LATIN AMERICA

### *I—The American Standpoint*

DANA G. MUNRO

U. S. State Department

HENRIK SHIPSTEAD

U. S. Senate Foreign Relations Committee

SAMUEL G. INMAN

Secretary Committee Cooperation Latin America

IRVING T. BUSH

CARLETON BEALS

PROF. C. W. HACKETT

PROF. H. T. COLLINGS

### *II—Latin-American Views*

BALTASAR BRUM

Former President of Uruguay

MANUEL UGARTE

Latin-American Nationalist Leader

SANT'AGO IGLESIAS

Secretary Pan-American Labor Federation

SEBASTIAO SAMPAIO

Consul General of Brazil in New York

MOISES SAENZ

Mexican Under Secretary of Education

VICENTE SAENZ

Former Editor Central American Newspapers

RAFAEL R. ALTUNAGA

Counselor Cuban Embassy, Washington

### *Other Phases of Latin-American Life and Civilization*

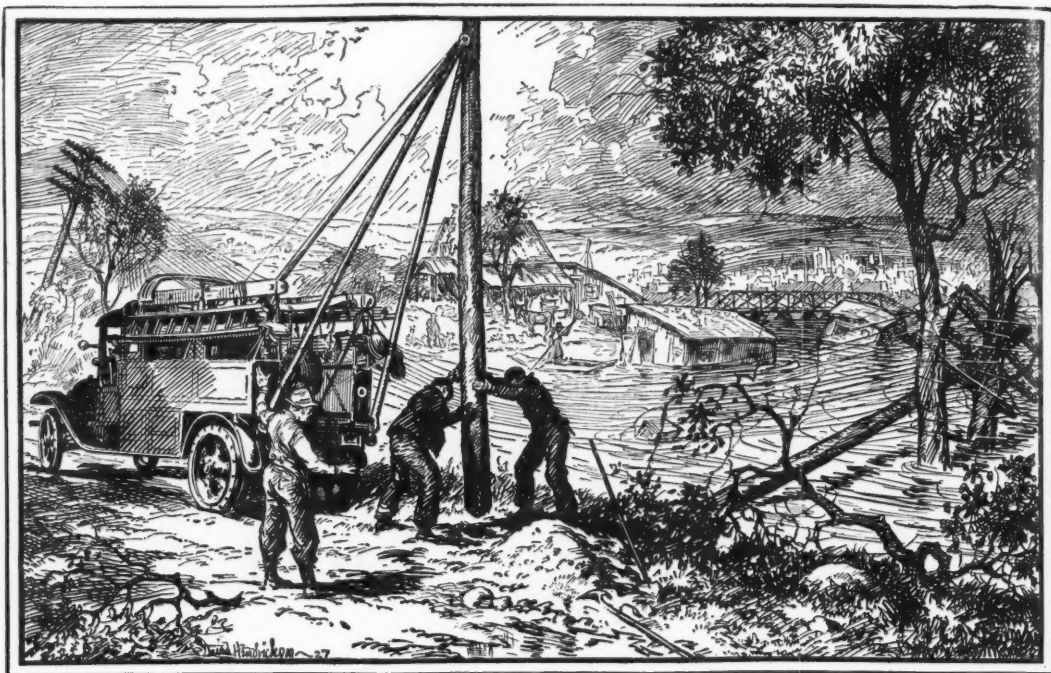
*Price*

*25 Cents*

Vol. XXVI. No. 6.

The New York Times Co.





# All for One

*An Advertisement of  
the American Telephone and Telegraph Company*



A SLEET storm descends, carrying down trees and wires. A wind turns outlaw and blows down a pole line. Or some swollen river rampages through a circuit of destruction.

But wherever angry nature attacks the Bell Telephone System there are repairmen trained to meet the emergency, and everywhere trained in the same schools to the use of the same efficient tools. Supplies of surplus equipment and materials are kept at strategic points whence they may be rushed by train or truck to the devastated area.

Throughout the Bell System, all

construction and practice are standard, so that men and supplies, when necessary, may be sent from one state or company to another.

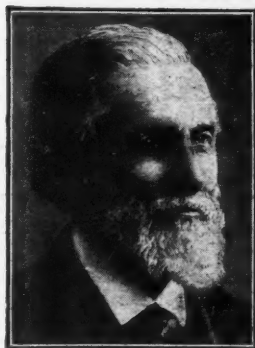
There are twenty-five Bell Companies, but only one Bell System—and but one Bell aim and ideal; stated by President Walter S. Gifford as:

“A telephone service for this nation, so far as humanly possible free from imperfections, errors and delays, and enabling anyone anywhere at any time to pick up a telephone and talk to anyone else anywhere else in this country, clearly, quickly and at a reasonable cost.”

RE  
Cor  
Dig  
Pla  
Sur  
ter  
Con  
of  
Har  
Pur  
Min  
Wh  
Enc  
Men  
Ren  
New  
on  
coh  
ple  
Hal

# Greatest Single Cause of Ill Health

**300 world famous physicians and scientists discuss newer methods of treating Intestinal Stasis [constipation and allied disorders].**



Sir Herman Weber, an eminent English physician, was descended from exceptionally short-lived ancestors for four generations. Making a study of longevity, he decided to try for a long life. His celebrated book on "Longevity" was published in his 95th year (1923). The principles he lays down are fully digested in the chapter on Longevity in "The Lazy Colon."

## Not a health book in the usual sense, nor given to fads or theories

Derived from investigations and discoveries of 300 Physicians and Scientists of international reputation, since the X-Rays were first used in studying the 28 feet of human intestine in 1907. *This tract, says Foges of Vienna, is the most prolific source of dangerous disease.* Including particularly heart disease and cancer; also kidney, liver and stomach disorders. Simple, authoritative, extremely interesting.

Hon. Wm. R. Green, Chairman Ways and Means Committee, Congress, says: "How to add 20 years to Your Life" would be a good title for this book.

Martin W. Barr, M. D., noted physician and author: "Sat up most of last night reading this delightful and masterly book."

Judge Gary, Head of United States Steel Corp.: "I have read 'The Lazy Colon' with a great deal of interest and benefit. It is a fine piece of work, in a high degree original, wisely written, and packed with information from the most authoritative sources. I congratulate both the writers and publishers."

Earl Ovington, Consulting Engineer, Santa Barbara, Cal.: "Have never read a book which so thoroughly covers the whole subject from the layman's standpoint."

Robert L. Owen, Esq., Washington, D. C.: "Am directing five copies to be sent to five of my friends."

Lloyd H. Wright, San Gabriel, Cal.: "Send by return mail one copy of 'The Lazy Colon,' recommended to me by my physician, Dr. Olson of Los Angeles."

**PRICE \$3.00 PREPAID**

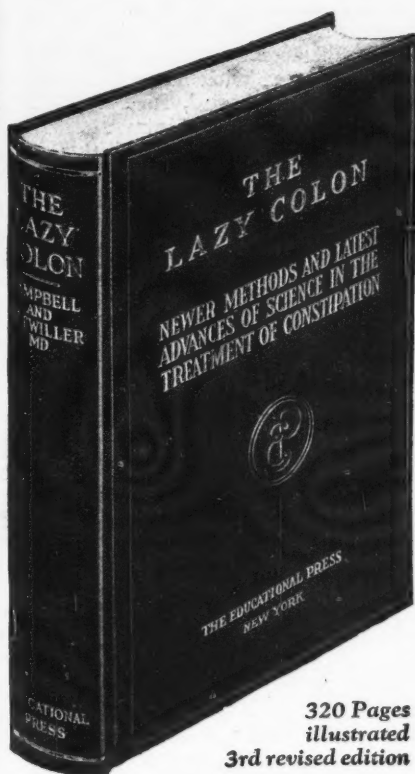
### THE EDUCATIONAL PRESS

4 East 12th St., Dept. 329, New York

I enclose remittance of \$3.00 for *The Lazy Colon*. I may return it in good condition after five days' examination if I desire and you will refund my money immediately. If C. O. D. shipment is desired simply send signed coupon.

Name ..... Print Out

Address .....



**320 Pages  
illustrated  
3rd revised edition**

### READ THESE CHAPTER TITLES

Contrary to General Belief, There Is Little Digestion in the Stomach; How Microscopic Plant Life Promotes Putrefaction in the Colon; Surprising Theories of Water Drinking; Mysteries of the Intestines Revealed by X-Ray; Commonest Form of Stasis; Startling Theories of Self Poisoning; Story the Urine Tells; Hardening of the Arteries and Blood Pressure; Purgatives—Their Proper and Improper Use; Mineral Oil as a Laxative; Agar or Bran—Which? Vitamin Facts; Intelligent Use of the Enema; The Coated Tongue—Its Cause and Meaning; Is Sugar of Milk the Long-Sought Remedy? Some Interesting Facts about Food; New Light on Longevity; Effects of Tobacco on Longevity; What Is the Truth about Alcohol? The Real Facts about Good Complexions; Prominent Authorities on Loss of Hair; Bad Teeth.

# CURRENT HISTORY

## BOOK REVIEWS

Vol. XXVI

September, 1927

Number 6

### The Military Genius of Abraham Lincoln

By C. I. MILLARD

GENERAL BALLARD has written a book\* deserving rank with Henderson's *Jackson*, Lord Charnwood's *Lincoln* and General Sir F. Maurice's *Lee*. His essay was written to prove his theorem that Lincoln was a very capable strategist; that he was solely responsible for the strategy of the North. General Ballard writes:

But this does not mean that other politicians should try to follow his example. The general principles regarding amateur strategists and political interference have been proved by history. My point is that general principles do not govern exceptional genius. \* \* \* This is why I call Lincoln the Strategist of the North; he was forerunner of that which we call the Higher Command.

Further:

It is a matter of opinion whether a disguised autocracy is the best form of government in time of peace; history shows that in time of war it has many advantages.

Again General Ballard writes of Lincoln:

It is important to remember this. Many people think that he was merely a civilian organizer \* \* \* who occasionally interfered, either from petulance or panic, with his Generals. Plans may be drawn up by subordinates, \* \* \* but the responsibility lies with the chief who accepts or rejects the plan. This responsibility lay entirely with Lincoln; he struck the keynote; and this establishes him as the Strategist of the North. He must take the credit or bear the blame.

English students will remember the responsibility of their War Cabinets during the Great War; American readers will recall that Lincoln had no General Staff and a divided Cabinet.

General Ballard calls war "The Great Illusion" and writes a brilliant chapter to prove it. This chapter he advises "superior persons" to skip. They would miss his terse conclusions: " \* \* \* In a quarrel both sides cannot be right! True. But both sides can be wrong.

*\*The Military Genius of Abraham Lincoln: An Essay by Brig. Gen. Colin R. Ballard, C. B., C. G. G. Oxford University Press, American Branch, New York, 1926.*

\* \* \* *It is politicians who make wars; soldiers make peace.*" He does not discuss Lincoln's strategy in dealing with the proposals of his Secretary of State to involve the United States in war with France and Spain, and perhaps with England, in March, 1861; nor with the same official's interference with Lincoln's strategy to sustain the Union forces in the forts at Charleston and Pensacola. He does agree that the firing on the Union flag in Charleston Harbor (for the third time) was the accepted cause of explosion into war. He calls it a bad blunder on the part of Jefferson Davis, but states: "*There can be no doubt that it was just what the Strategist needed.*"

General Ballard stresses the historic importance of the Battle of Bull Run:

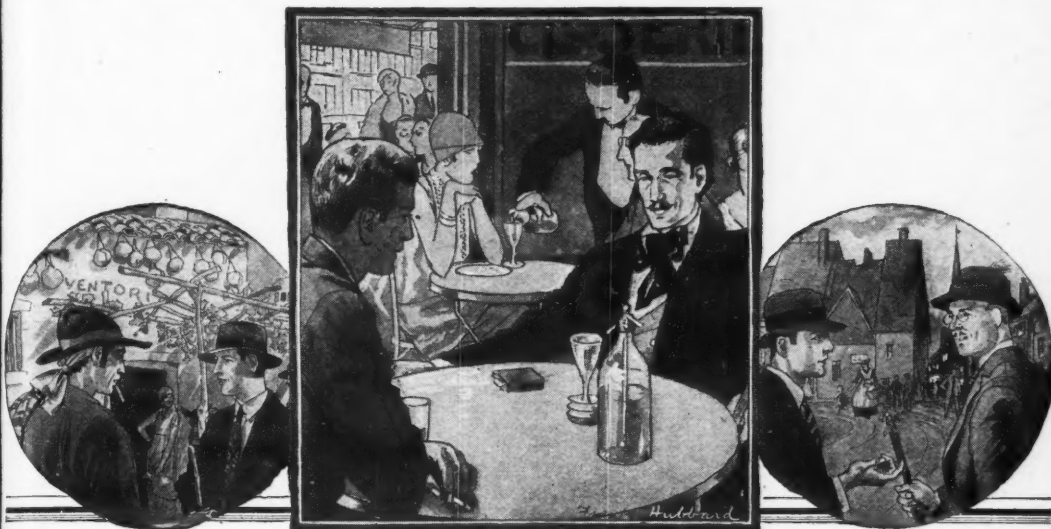
Perhaps more nonsense has been written about the First Bull Run than about any other battle in history. Most of it, however, is honest nonsense. \* \* \* More nonsense has been written about the failure of the Southerners to follow up their success. \* \* \* Is it an exaggeration to say that Bull Run was the cause of the war in the hearts of the nation?

He, himself, answers: "But they are a proud race, these Americans, too proud to shut their eyes to defeat."

He discusses, with candid appreciation of the merits of the participants, the great struggle between Lincoln and General McClellan; he does not mention, as a fatal error, the failure to use the south bank of the James River for the campaign for the capture of Richmond in 1862; nor point out the effect of Lincoln's peculiar personal orders governing the movements of the U. S. S. *Monitor*, both before and after her fight with the C. S. A. *Virginia* (*Merrimac*). He states that "*Lincoln knew McClellan would not attack.*" If this was the responsibility, Lincoln's military genius was not brilliantly displayed in employing General McClellan for the Antietam campaign. Imagine Washington or Andrew Jackson using such strategy!

Continued on Page iv.





# Learn French; German, Spanish or Italian This New Way

**LEARNING** to speak, read and write a foreign language may seem the most difficult of tasks.

Yet here is an agreement that, not only can you learn French, Spanish, German or Italian in YOUR OWN HOME, by MAIL, but that you can learn it very quickly.

The trouble with every other method of teaching foreign languages is that your mind is cluttered up with a mass of translations, rules, exceptions to rules, grammar, and dozens of other intricate details.

The Pelman method is so different, so much simpler, so much more PRACTICAL, that there is no basis of comparison.

## A Striking New Idea

Here is the revolutionary new principle of the Pelman Method, in a few words: In English, French, German, Spanish and Italian there is a great body of words (reaching up into the thousands) which are practically identical in all these languages.

If you were asked to read a French, German, Spanish or Italian newspaper, you would probably give up without making the attempt. Yet, as a matter of fact, you already know a very large number of the words you would meet with. You would recognize most of them "at sight." Others you would be able to guess correctly from the way they "fit in" with the words you know.

Really, instead of being totally ignorant of these three languages, you already have

## Agreement

Every Pelman Language Course is taught under the absolute agreement that if, after completing it, you are not entirely satisfied with your ability to read, speak and understand the language, your tuition will be refunded instantly upon demand.

(Signed) B. C. McCULLOCH, President  
The Pelman Languages Institute, New York City

an excellent start toward learning one or all of them!

It is this remarkable fact that lies at the basis of the wonderful success that has come to the Pelman Language Course wherever they have been tried.

## Learn As Children Do

Just as a child learning to speak, you do not bother at first about grammar. Instead, you learn from the very first lesson how to use the language itself. When you can speak, read and understand others readily, then—and then only—you get the knowledge of grammar you need in a new simple way.

Suppose, for example, that you have decided to learn French. (The Pelman method works just as simply with other languages.) When you open the first lesson of the Pelman method, you will be surprised to see not a single word of explanation in English. But you soon realize that no English is necessary. You find that you already know enough French words to start—and you can easily discover the meaning of the unfamiliar French words by the way they "fit in" with the ones you recognize at sight.

By means of this revolutionary system, within eight to twelve weeks you will find

yourself able to speak a foreign language more fluently than those who have studied it for years in the toilsome "grammar first" way.

This is no exaggeration. In England, where this wonderful new method was originated, tens of thousands of people have found that it makes foreign languages astonishingly easy to learn. In America this success was at once duplicated. This is by far the most practical and sensible way to learn French, Spanish, German and Italian.

## Send for Free Book

A free book, yours for the asking, shows you what a real cultural benefit, what a wonderful means for pleasure it is to have another language at your command. This book actually shows you that you can read, at sight, a page of the language you decide to learn. It shows why it is possible to make the agreement that you will learn either French, Spanish, German or Italian within a short time to your satisfaction, or it will cost you nothing. To send for this book places you under no obligation. No salesman will call upon you. Mail the coupon at once. The Pelman Languages Institute, 71 West 45th Street, Suite L-709, New York City.

Approved as a correspondence school  
under the laws of the State  
of New York

The Pelman Languages Institute  
Suite L-709, 71 West 45th St., N. Y. C.  
Please send me full information about the Pelman System of Language Instruction.

Name.....

Address.....

City..... State.....

I am interested in  
☐ French ☐ Spanish ☐ German ☐ Italian

Continued from Page ii.

General Ballard follows Lord Charnwood in the discussion of McClellan's puzzling indifference to success, and thinks that Lincoln was satisfied that "McClellan was incapable of treason." He considers McClellan's dismissal "the test case of Lincoln's strategy." Americans have pondered long on the strategy of the appointments of Pope, Burnside and Hooker when Thomas, the greatest of Union Generals, and Meade, Reynolds and Hancock were available for the command of McClellan's army; Americans have considered the prominence and the permanence of Halleck and the responsibility cast away from Lincoln upon Grant; they have not shared the opinion of General Ballard that Grant's Vicksburg campaign was a masterpiece.

Americans have doubted the military genius of Abraham Lincoln because Grant could have called the navy to his assistance months before for the very same operations which enabled

him to flank Pemberton's army; and do not think of Grant's selection of the wilderness sector of Lee's Virginia line for the battles in 1864 as great strategy.

General Ballard very highly praises Lincoln's true strategical foresight in picking out, as his chief asset, command of the sea. His chapter on "Emancipation" leads him to the declaration that: "The way was barred to foreign intervention, and this was perhaps a decisive factor in the war."

He does not comment upon the effect on sentiment, here and abroad, of the message, in reply to Lincoln's proclamation, that President Davis sent to the Confederate Congress in which he said:

"Our own detestation of those who have attempted the most execrable measure in the history of guilty man is tempered by the impotent rage which it discloses."

General Ballard's essay should be welcomed as a valuable addition to the literature of the war for Southern independence.

## Leonard Darwin's Study of Eugenics

By J. B. EGGEN

CONTRIBUTOR TO SOCIAL SCIENCE, PSYCHOLOGICAL AND OTHER PERIODICALS

THE publication of this volume on *Eugenic Reform* by Major Leonard Darwin\* is very timely and effective. For a decade or more, eugenists have been lobbying to put their reform measures on the statute books. For the first time, recently, the problem of eugenics came before the United States Supreme Court. By an eight-to-one vote it upheld the Virginia law for eugenical sterilization of mental defectives. This is a highly important decision, and brings up for critical review the whole question of eugenic theory.

The subject of this decision was one Carrie Buck, a 21-year-old, feeble-minded State Asylum inmate. Despite protests, the Court ruled that the principle of compulsory vaccination was broad enough to cover eugenic sterilization. Said Mr. Associate Justice Holmes, who wrote the decision, "Three generations of imbeciles are enough."

Some twenty States now have sterilization statutes, and in several they have been declared unconstitutional by State courts. In other places the laws have been dead-letters for years. Now, however, with such a precedent, it probably will not be long before a majority of States have active statutes.

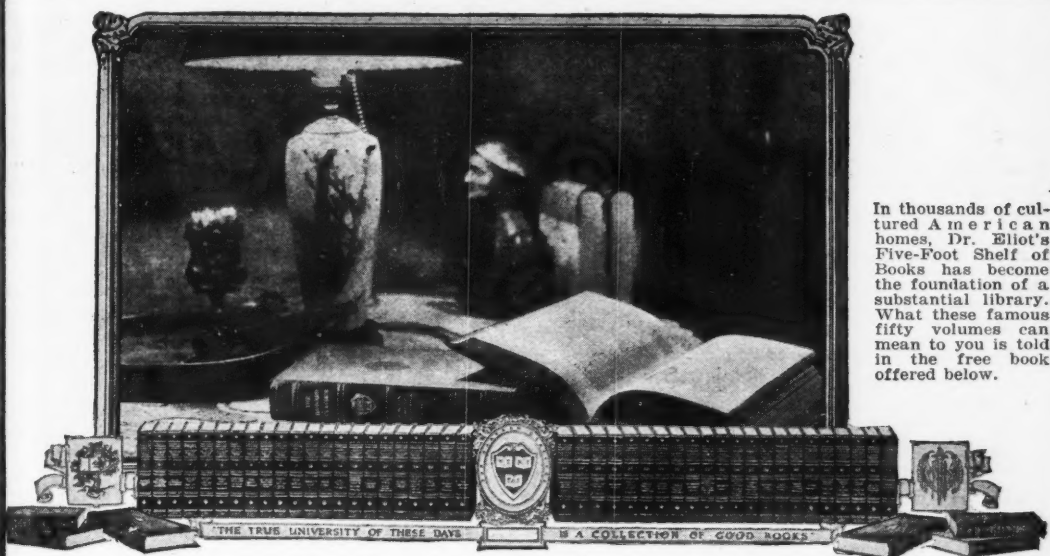
The Federal court is open to a great deal of criticism because feeble-mindedness has never been proved to be hereditary. Myerson, in his *The Inheritance of Mental Diseases*, utterly disbelieves (presenting trenchant reasons) that mental deficiency is any menace. He says the conviction is becoming widespread that familial feeble-mindedness is not hereditary, but due to injury of the germ-plasm from without. If this is true, the Virginia law and the Federal Supreme Court's decision need reconsideration and revision.

Many biologists, once believers in the potency of heredity, have had cause to change their beliefs. Ten years ago they were all eugenists. Now Dr. Jennings (*Behavior of the Lower Organisms*) says it is impossible to control human heredity, and Dr. Child (*Physiological Foundations of Behavior*) shows the environmental origin of all activity. The leading psychologists (Kempf, Watson) have verified these facts, until eugenic theory is in a sad state.

Hence the importance of Major Darwin's volume. The author is the son of Charles Darwin, and the esteemed President of the (British) Eugenics Education Society. Because of his position, and the numerous lectures and articles on eugenics which have come from his

\**The Need for Eugenic Reform*: By Leonard Darwin. New York: D. Appleton & Co., 1926. (Second Title: *Eugenic Reform*.)

Continued on Page vi.



In thousands of cultured American homes, Dr. Eliot's Five-Foot Shelf of Books has become the foundation of a substantial library. What these famous fifty volumes mean to you is told in the free book offered below.

## "The most patient of teachers"

SIX YEARS before he compiled his famous Five-Foot Shelf of Books, Dr. Charles W. Eliot of Harvard wrote an essay called "The Happy Life." "Books," he said, "are the most constant of friends, the wisest of counsellors and the most patient of teachers. It is a mistake to suppose that a great deal of leisure is necessary. A few minutes a day, devoted affectionately to good books, will make all the difference."

All the difference! The difference between the plodding clerk and the clear-thinking executive. The difference between the deadly bore and the interesting talker. The difference between success and failure—in business and in social life. Because he believed what he said, Dr. Eliot undertook the colossal labor of editing and arranging the 418 masterpieces

which make up his greatest work,

### DR. ELIOT'S FIVE-FOOT SHELF OF BOOKS

And today thousands of cultured families, in whose private libraries these fifty volumes have a place of honor, are ready to testify to the value of Dr. Eliot's guidance and the truth of his words.

Do you know Dr. Eliot's Five-Foot Shelf of Books? If not, send now for the interesting book called "Fifteen Minutes a Day." It is absolutely free to any reader of this page who wants it. Your name and address on the coupon will bring it by return mail. Do not delay. The time to act is NOW!

Send for this FREE booklet that gives Dr. Eliot's own plan of reading.



Reading is an essential part of every human life, and good books make the best reading. Since 1875, P. F. Collier & Son Company has not only published good books but has brought them within reach of all by the Collier plan, which enables you to pay for the books while you are enjoying them.



#### P. F. COLLIER & SON COMPANY 250 Park Avenue, New York City

By mail, free, send me the booklet telling all about the most famous library in the world describing Dr. Eliot's Five-Foot Shelf of Books (The Harvard Classics), and containing the plan of reading recommended by Dr. Eliot. Also please advise how I may secure the books by small monthly payments.

Mr.

Name Mrs. . . . . .

Miss

Address . . . . . 5246-HCF-L

The publishers cannot undertake to send the booklet free to children.



# Here is YOUR High School Education!

These twelve wonderful books prepare you quickly at home for bigger pay, broader culture, social and business success. Every high school subject taught by fascinating "Question and Answer" method—English, French, Spanish, Latin; Ancient, Modern and American History; Literature, Biology, Physics, Algebra and Economics.



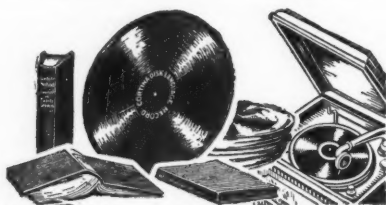
## GREATEST BARGAIN IN BRAIN POWER

Increase your earning power this easy way. Don't be held back by lack of education. Here is your chance to get your high school education in spare time at amazingly little cost. These books are used in thousands of high schools. Qualify for Certificate.

## SEND NO MONEY

Examine these twelve books FREE. No money in advance, pay nothing on delivery. Keep the books 5 days. Then decide. Return them if you choose. Otherwise send \$3.85 first payment and \$4.00 monthly for 3 months—total only \$15.85 (10% discount for cash, making price only \$14.27). Send name and address NOW.

High School Home-Study Bureau, Dept. 289,  
31 Union Square New York, N. Y.



## Now—Your Phonograph Can SPEAK ANY LANGUAGE

### ---Why Don't You?

Now you can learn ANY foreign language—French, Spanish, Italian, German, English—just as you learned your mother tongue—"by listening to it!" The Cortina Phone-Method teaches you at home without rules, teachers or drills. Elementary courses consist of 14 simple, entertaining lessons contained on a set of 12-inch double-faced phonograph records plus the Conversational Text Book. Write for FREE literature and booklet "LL."

## CORTINA ACADEMY

105 West 40th St., N. Y. C.

Established 1882 by R. D. de la Cortina

The New 13th EDITION

## ENCYCLOPAEDIA BRITANNICA

In the New Form—at a Saving of 40%.

Write for full details. Address Dept. CH8.

The Encyclopaedia Britannica, Inc.,  
342 Madison Ave., New York

Continued from Page iv.

active mind, this volume was long anticipated as a work of authority and a book of reference. Major Darwin has been intimately associated with the best parts of the movement, and may be fairly taken as a typical representative. His volume is a comprehensive and restrained statement of the eugenic program.

In comparison with other books of the same sort, nevertheless, this one is a distinct disappointment. It is less exact and factual than Popenoe and Johnson's *Applied Eugenics*. It is less authoritative than Carr-Saunders's *Eugenics*. We feel it unlikely that *Eugenic Reform* will become the eugenicist's Bible, as it might have been. Major Darwin is not so extreme as many eugenicists, McDougall for example. He does not advocate a caste system of government, but is content with simply a proportionate increase in better parts of the population. He grants more to environmentalists than fanatics like Pearson, who estimated that heredity is seven times as strong as environment. This moderateness of viewpoint keeps Darwin's book well above the class of such works as Wiggam's *Fruit of the Family Tree* and McDougall's *Is America Safe for Democracy?* Still, it does not make it a scientific document.

The book suffers from discursiveness, both in style and selection of subject matter. The style is rambling and repetitious. The subject is begun with a chapter on evolution, which is all very well in its way, but out of place. Then come chapters on population problems, the inheritance of acquired characters and natural selection. Finally he settles down to his topic, and a number of random chapters follow on Methods of Elimination, Feeble-mindedness, The Habitual Criminal, Insanity-Epilepsy-Tuberculosis-Genius, Tests of Desirable Qualities, Factors Affecting the Birth Rate, Elimination of the Less Fit, Family Allowances, Income Tax and State Aid for Education, Marriage and Divorce, Eugenics and the Riddle of the Universe. From these chapter headings one may see what a *mélange* the work is.

The treatment is not from a scientific standpoint, with facts, figures and references, but from a discussion standpoint, philosophical and abstract. Occasionally facts creep in, but he specifically states he is not writing for the expert, only the average well-informed man and woman. It is too bad that writers think "popularization" means being indefinite or colloquial instead of simple and vivid. Darwin's style is fluent; but, since the material is taken from numerous lectures and addresses, it has many of the faults of this kind of presentation:

Continued on Page viii.

# Complete in ONE Exquisite Volume

## The Original Lane Translation of the Arabian Nights

The genuine Lane translation, *complete*, with the translator's famous notes on Oriental customs, is now offered in one luxurious volume instead of the four big books of the ordinary edition. For nearly a hundred years it has been universally accepted as the standard version of this gorgeous collection of Eastern tales. Those who have read two or three of these stories in simplified form will be amazed by the *real stories* (124 in all) which reveal the marvelous life of Baghdad in the golden age of the Caliphs and of Cairo under the Memlook Sultans. Here, in one volume, is the whole astounding company of lion-hearted heroes, silken veiled beauties, ingenious thieves, preposterous liars, frightful genii, diabolic sorcerers, tyrannical Sultans, passionate lovers.

### A Volume of Rare Beauty

Bound in soft, flexible Spanish Fabrikoid, maroon with black tracery; Oriental gold designs on front and backbone; maroon parchment end papers; garnet and gold head bands; completely reset in large, readable type and printed from new plates; Durham Bible paper, strong and opaque yet so thin that the 1280 pages of this volume bulk only 1½ inches; round corners and full marbled edges; triply reinforced and whipstitched to give exceptional durability; *frontispiece in four colors reproducing a painting of Shahrazad and the Sultan by E. M. Stevenson*; boxed in maroon library slip-case; mailed in heavy carton. It is a volume that fully maintains the Pickwick standard of *exquisite books*.

### Sent for Free Examination

Send the coupon below and this beautiful volume will be mailed postpaid on approval. You agree either to return the volume or to remit its price—\$6.00—within five days of receipt. You will be the judge of the extraordinary value this offer represents.



THE PICKWICK PUBLISHERS INC

101 PARK AVENUE NEW YORK

EXQUISITE BOOKS

The Pickwick Publishers, Inc., 101 Park Ave., New York  
Please send me, postpaid, on approval, Lane's Arabian Nights  
complete in one volume. Within five days of receipt I will either  
remit \$6.00 or return the volume.

Name (Please Print).....

Street and Number.....

City and State.....(C.H. 9-27)

If you prefer to send remittance with order  
you may deduct the usual 5% discount. Full  
refund if the book is not satisfactory.



### SHAHRAZAD

For a thousand and one nights she held the King fascinated by her stories. They will fascinate you too when you read them in this luxurious volume.

### A Few of the 124 Stories

The Porter and the Three Ladies of Baghdad

Prince Kamar-ez-Zaman and the Princess Budoor and What Came of the Efreets Beauty Contest

How Hasan Captured the Bird-Maiden

Alee of Cairo and the Haunted House

Taj-el-Mulook, Who Won the Lady Dunya Although She Was a Hater of Men

The City of Brass

Es-Sindibad of the Sea

Hasan and the Damsel Sitt-el-Hosn: How They Were Married by the Prank of an Efreets, Strangely Separated, and Reunited After Marvellous Events

Abou-Mohammad the Lazy and the Enchanted Ape

Jullianar, Princess of the Sea

Kafoor, the Liar

Abu-l-Hasan the Wager

The Fisherman and the River Apes

### AND MANY MORE

### One of the World's Greatest Classics

When you have enjoyed some of these stories you will understand why the familiar phrase "like a page from *The Arabian Nights*" is used to indicate the highest degree of romance and adventure. For more than two hundred years, since their first discovery, these Oriental tales have been accepted as one of the greatest literary classics of all mankind.

the  
Arabian  
Nights

COMPLETE  
LANE  
TRANSLATION

THE PICKWICK  
PUBLISHERS, INC

Continued from Page vi.

it is vague, general, digressive, repetitious. Technicalities of subject matter and unappealing English format will prevent the book from ever becoming very popular.

The evidence presented is a rehash of much that has been rehashed before. Galton's work on twins is paraded again, as it has been in nearly every eugenic book we have ever seen. The errors of logic involved, the fallacies of argument therein, are unnoticed. Karl Pearson's statistical method is elaborated. It is too bad that no one has ever pointed out that persistence of environmental effects which wrecks Pearson's delicate system of coefficients (of genetic correlation). Then there is the usual other evidence, the data of the intel-

ligence-testers, the work of Thorndike, Dugdale, Estabrook and others. We are unable to discover anything new.

The last chapter illustrates well the author's lamentable shortcomings as a scientist. He ends with windy philosophizings which show the shoddy character of his thought-processes. He discusses *the evolution of the conscience!* He believes: "To trust in science alone may point to a brutal ethical creed \* \* \* but such a creed, based entirely on science, we utterly repudiate. \* \* \* To follow religion and science, each in its own domain, is probably our best guide. \* \* \* To avoid conflict, religion and science must admit each other's rights." Thus the deterioration of a scientist; the miscarriage has brought into the world another reformer.

## Armored Ships in Warfare

By THOMAS G. FROTHINGHAM

AUTHOR OF *The Naval History of the World War*

THIS book is a comprehensive account of the fights on the sea in the era of armored ships, including all types, not battleships alone.\* The era of armor on warships was in reality brought about by the introduction of shell-firing guns, because these made the old-time close broadside sea fights out of the question.

The old-time "bombshell" was leisurely propelled from a mortar, installed on a fixed base ashore or on a ponderous floating battery. But, when these shells were fired from guns, the dangers from them, on penetrating a ship, became so great, not only from the increased destruction of life but also from the threats of fire and explosion, that it was obvious warships must have increased protection. There had been tentative designs of ironclads before, but it was not until about 1840 that this situation called into being armored ships, in the modern sense of the word.

Mr. Wilson dismisses in short terms the first French and British armored ships and the armored floating batteries of the Crimean War, and then treats at length the developments when "the first use of armored vessels on any considerable scale came in the American Civil War of 1861-65." It was true that this extraordinary and epoch-making war, which revolutionized all tactics on land, had an equally revolutionary effect upon warfare on the sea. The author has given an account of the monitors, which were destined to be

the ancestors of the modern dreadnoughts, and he has also described the other operations, on the coast, on inland waters, on the blockade, and on commerce-destroying raids.

In this Civil War period of invention, the United States Navy had actually designed and built a seagoing ironclad warship, with high freeboard, three turrets aligned on the keel, and totally discarding all sailing rigging—in fact embodying all the essentials of a modern battleship. But this design, U. S. S. Roanoke (1863), has escaped the notice of Mr. Wilson, as it also escaped the minds of the designers in European navies. And the author's ensuing chapters review the years when the European naval constructors still adhered to the use of heavy sail rigs on their armored warships.

The battle of Lissa (1866) between these clumsily rigged ironclads is described, and the author explains the mistaken doctrine which was evolved from this action. "The effect of the battle on naval development was marked. For nearly a generation it fastened attention on the ram, and led all navies to build ships designed for end-on attacks." But eventually this idea was to disappear when the progress of the designs in armored ships gave increased speed and handiness to these warships, with greater ranges of guns and the use of mobile torpedoes. There was not much naval fighting of any serious character in this period, as the Franco-German War of 1870

\**Battleships in Action.* By H. W. Wilson. Boston: Little, Brown & Co. 1926. Two vols. \$10.

Continued on Page x.



*Just Published!*

# History of American Foreign Relations



By LOUIS M. SEARS  
Purdue University



¶ One of the most vital and comprehensive books on this important subject yet published. (650 pages and map. 8vo. \$3.50)



THOMAS Y. CROWELL CO.  
393 FOURTH AVENUE, NEW YORK,

## NEW GOVERNMENTS OF EASTERN EUROPE

By *Malbone W. Graham, Jr.*

A companion volume to the author's *New Governments of Central Europe*. It deals with the Russian Empire and its transformation into the Union of Socialist Soviet Republics, and with the liberation and constitutional development of Finland, Esthonia, Latvia, Lithuania and Poland down to the present.

Probable Price \$5.00  
Students' Edition \$4.00

## THE PUBLIC AND ITS PROBLEMS

By *John Dewey*

This volume deals penetratingly with the individual, the community, the State, and their intimate interrelations. It presents Professor Dewey's maturest thought on problems of vital public import.

\$2.50  
Students' Edition \$2.00

## AMERICAN PARTIES AND POLITICS

By *Harold R. Bruce*

The history, organization, character and procedure of the major parties are discussed in lively detail, and their various phases are explained with a wealth of factual illustrations and in a vivid style.

Probable Price \$1.00

## HENRY HOLT AND COMPANY

One Park Avenue

New York

## RAINBOW COUNTRIES OF CENTRAL AMERICA

By *WALLACE THOMPSON*

Illustrated \$5.00

Not only the charms and delights of those countries off the beaten track of travel are well described, but the economic problems and political situations are also gone into.

## SOUTH AMERICA: An Economic and Regional Geography With an Historical Chapter

By *E. W. SHANAHAN*

With 50 maps and diagrams. \$3.75

## THE MOB

By *V. BLASCO IBANEZ*

Author of "The Four Horsemen of the Apocalypse," etc. \$2.50

PUBLISHED BY DUTTON

Continued from Page viii.

was practically fought on land, and the same can be said of the Russo-Turkish War of 1877-78.

The events of the war between Japan and China (1894-5), the Spanish-American War (1898), the Russo-Japanese War (1904-5), the Italo-Turkish War (1911-12), and the Balkan War (1912-13), are well and graphically narrated. These with the toll of the battleship disasters since the introduction of armor, complete the first volume. It makes a valuable book for the study of warships and their tactics up to the time of the World War.

Mr. Wilson's second volume deals solely with the World War. Whereas his first volume was especially free from expressions of personal opinion, and commendable for sticking to the narratives of events, his second is really controversial from the first, and the reader must be warned to separate the accounts of the operations themselves from the opinions too frequently stated by the author. These opinions amount to bias, as unfortunately Mr. Wilson has taken sides in the controversies of the British Navy, which have been so notable in the aftermath of the World War. If the reader will make allowances for these influences surrounding the author, especially in regard to the Battle of Jutland where British writers are still in a maze, the second volume will also be found of value in giving a picture of warfare on the seas.

## A Frenchman Looks At the Peace

By *MARGARET GREEN*

CALMLY, dispassionately, impartially Alcide Ebray\* in his book "A Frenchman Looks at the Peace" defends the proposition that the Peace of Versailles was concluded in violation of the Wilsonian principles, notably of the Fourteen Points, of which benefit was promised to the vanquished before they laid down their arms. He affirms it was unjust; after its conclusion "its stipulations were violated, as by France in the Ruhr, just as the Wilsonian principles had been violated, and the peace terms were thus unjustly applied." Unexpected sentiments these, from no less a source than a former French Minister to Belgium and a distinguished publicist and scholar. Nor do they represent random utterances of a demagogue. Seldom is presented so logical an argument buttressed by as impressive documentary evidence. It marches on

\*A Frenchman Looks at the Peace. By Alcide Ebray. New York: Knopf, 1927. \$4.00.

from fact to fact, from proof to proof, with a precision that carries on unflinchingly to conclusions that are particularly interesting to Americans.

A correct appraisal of the work must take into account that M. Ebray is a realist. To him no idealistic peace was possible nor were the sacrifices and struggles of the war made in defense of so ephemeral a thing as Right. Peoples become and remain allies or enemies only because their interests clash or harmonize. War guilt is attached to all the participants except America. Violation of Belgium and submarine warfare are weighed in the same scales as violation of Greek neutrality and the hunger blockade. All this to the end that a great advance toward general reconciliation will have been made when each and all agree to recognize that no one betrayed any one and that all, even the vanquished, only acted as it was natural they should act.

M. Ebray asserts that a helpless Germany was betrayed by a broken promise and forced to accept the Versailles Treaty, which was a contradiction of the Pact of Nov. 5. In the intensified national feeling which sprang up after the war he declares the abstract justice of the Wilsonian principles could not stand the test of reality. Document after document hammers home the fact that the Central Powers believed themselves to be making peace on the basis of the Fourteen Points and that hostilities ceased on that stipulation alone: "Mr. Wilson's programme was almost completely set aside in the elaboration of the treaties concluded by the Entente and, so far as the Treaty of Versailles is concerned, it became evident that the Entente was determined to treat it in the same manner as the pact by disregarding certain stipulations and replacing them by arrangements much more burdensome to Germany." M. Ebray's is a useful work, frankly advocating revision of the Versailles Treaty and designed to re-establish truth—a splendid contribution to reconciliation.

## Brief Book Reviews

**A HISTORY OF THE CUBAN REPUBLIC:**  
A Study in Hispanic-American Politics.  
By Charles E. Chapman. New York: The Macmillan Company. \$5.

"The people of the United States cannot afford to be ignorant of Cuban history," asserts Mr. Chapman in his preface. "Strategically Cuba is the key to the United States and the greater part of the Western Hemisphere, and she far outranks the other Hispanic-American republics in the value of United States investment and trade. Moreover, under the Platt Amendment and the Permanent Treaty the United States has a special duty and obligation toward Cuba."

To provide the public with this extremely

Continued on Page xii.

## ADVENTURES WITH CHRIST IN LATIN AMERICA

*By Bishop George A. Miller*

The point of view is that of a constructive Christian statesman with a cosmopolitan mind who is able to interpret current tendencies in Latin America on the basis of personal observation and contact.

Net, \$1.00

## A HISTORY OF LATIN AMERICA

*By William Warren Sweet*

"Such a concise work covering the entire field of Latin America, written in an attractive style, meets a great need just now."

—Boston Evening Transcript.

Illustrated. Net, \$3.00

—At the Better Bookshops—

## THE ABINGDON PRESS

New York	Cincinnati	Chicago
Boston	Pittsburgh	San Francisco
Detroit	Kansas City	Portland, Ore.

## Roosevelt

and  
the



## Caribbean

*By Howard C. Hill*

Roosevelt's public and private correspondence, copies of his speeches, significant memoranda, engagement books, confidential reports, and personal notes are all deposited in the Library of Congress. Mr. Hill is the third person permitted to examine this material with a view to publication. With this inaccessible and important material at his complete disposal, Mr. Hill has written a new chapter in the story of Roosevelt's negotiations with the Central American countries. \$2.50.

**THE UNIVERSITY OF CHICAGO PRESS**

5779 Ellis Avenue

CHICAGO



## Your Last Chance

### To write a \$25,000 Essay

Every man or woman interested in the \$25,000 prizes offered by the Woodrow Wilson Foundation for the two best essays on the ideals of Wilson must realize that the **Closing Date** of the Contest is drawing near.

## THE PUBLIC PAPERS OF WOODROW WILSON

The editors of this collection are Ray Stannard Baker and William E. Dodd, Professor of American History at the University of Chicago. \$25,000 is offered by the Woodrow Wilson Foundation to the young man and woman between 20 and 35 who write the best answer of 2,500 words to the question, "What Does Woodrow Wilson Mean to You?" The answers must be submitted before October 1st, 1927, to the Woodrow Wilson Foundation, 17 East 42nd St., New York City. This work is invaluable to all contestants. In a special edition, six volumes bound in three, unabridged, for \$7.50. (The regular edition costs \$30.00).

**HARPER & BROTHERS**

49 East 33rd Street

New York

## Music the Interpreter

"If I were permitted to make the ballads of a nation I should not care who made its laws."

## FOLK SONGS OF MANY PEOPLES Vol. II.

By FLORENCE HUDSON BOTSFORD

In the folk music of a people lies the key to the understanding of their peculiar characteristics. In this interesting collection are songs of Latin America—love songs, humorous songs, songs that lend themselves easily to dramatization, Christmas carols. They have been loved and sung for generations because they are the real expression of a people's feeling. \$4.00.

Will THE WOMANS PRESS Send  
NEW YORK

this useful collection to

M .....

Continued from Page xi.

readable and comprehensive history of Cuba, Mr. Chapman, besides having a background of eighteen years' specialization in Hispanic-American history and long residence in Spain, South America and Cuba, to his credit, devoted three years of continuous work to the task, and he characterizes the result as "twenty-seven volumes condensed in one."

Throughout Mr. Chapman stresses the similarity of Cuban politics to the politics of the other Hispanic-American countries, and the universality of their problems, due to the underlying Hispanic tradition. He frankly states: "This work aims to tell the whole truth, instead of a mere fraction. And, admittedly, since this is a political history, the whole truth often may be disagreeable to those who would avoid straight speaking. For politics is one of the least amiable phases of the Hispanic heritage. It was bad enough in Cuba under Spain. One may well raise the question whether it has not been yet worse under the republic." However, Mr. Chapman feels that Cuba is "by no means hopeless politically. In fact, she is more promising than most of the republics of Hispanic America. \* \* \* Not to go into more detail it may be confidently asserted that Cuba already has the elements within her own body politic that could make government attain to the level of decency that most other factors in Cuban life have already reached. Indeed, encouraging reports have come to hand that give reason to hope that the initial steps may already have been taken since the inauguration of General Gerardo Machado as President on May 20, 1925."

**INDUSTRIAL AND COMMERCIAL SOUTH AMERICA.** By Annie S. Peck. New York: Thomas Y. Crowell Company. \$3.50. Revised and reset.

This volume, first issued in 1922, has been described as a "mine of information in regard to the countries of the Southern continent—their cities and ports; transportation systems, exterior and interior; physical characteristics and natural resources; their products and possibilities, agricultural, mineral, stock-raising, forestry," and so forth. The author, Miss Peck, is recognized as one of the leading and best-informed authorities on South America and she accumulated her remarkably comprehensive body of material, not merely during thousands of miles of South American travel, but also through years of study and investigation. Her work is recommended to those who desire actual facts, uncolored by any attempt to develop their literary or artistic values.

**SOVIET VERSUS CIVILIZATION.** By Augur. New York: D. Appleton & Co. \$1.50.

V. Poliakov, who, writing under the name "Augur," has achieved an international reputation as a journalist, gives in this brief volume his analysis of the international aims of the Bolshevik régime. As he is himself a Russian, it is to be expected that he would have a special understanding of Russian nature and mental processes. It is therefore interesting to find that he feels that the spirit of Russia is innately and inevitably alien to Europe because of its fundamentally Eastern outlook. The chief force of the Soviet rulers' hatred is directed against Great Britain, according to M. Poliakov, and he cites the Soviet policy in China as an outstanding example of this. Moreover, he believes that it

is the "Soviet menace with its hovering presence that is frightening Europe into unity," for it is felt that the Bolsheviki are working to destroy the institutions upon which Western civilization rests. M. Poliakoff discusses in detail the Rapallo conference, the German-Soviet Treaty of April, 1922, Locarno, and the influence of the Trades Union International on the labor situation everywhere.

**THE THIRD BRITISH EMPIRE.** By Alfred Zimmern. Being a Course of Lectures Delivered at Columbia University, New York. New York: Oxford University Press. \$2.50.

The survival of the British Empire in an age which has witnessed the disruption of so many empires is sufficient evidence that it has in it a principle of vitality that the other empires lacked. Mr. Zimmern believes that principle to be the spirit of liberty. "The British Empire lives today," he says, "because its institutions are free institutions. It survives as one of the world's guardians of liberty. But liberty is not a dead possession. It is an active power, a developing power and at times like the present a transforming power. If the storm which broke over the world and swept the other empires away left the British Empire in being, it did not leave it unchanged. It has in fact transformed it. The British Empire of today is not the British Empire of 1914. It is something new." The first British Empire, according to Mr. Zimmern, was transformed by the American Revolution. The second British Empire, based on British sea power, reached the culmination of its development in the great war. The third British Empire is in reality not an empire in the old sense of the word, but a British Commonwealth of Nations. The book was written before the last Imperial Conference, but the action taken there has confirmed Mr. Zimmern's conclusions.

**CASSANDRA, OR THE FUTURE OF THE BRITISH EMPIRE.** By F. C. S. Schiller. New York: E. P. Dutton & Co.

This volume in the "Today and Tomorrow Series," from the pen of a well-known Oxford philosopher, contains a remarkable analysis of the causes which have led to Great Britain's relative decline as a world power. Britannia no longer has a monopoly in ruling the waves; old Albion is no longer secure against invasion since the advent of the airplane; British diplomacy has lost its ability to preserve the balance of power on the European continent; New York has supplanted London as the world's financial centre—these are some of the more important grounds for believing that never was the position of the British Empire so precarious as at the present time. Mr. Schiller's diagnosis will probably gain fuller assent than the remedies he proposes, but all will agree that he has written in small compass a very stimulating essay on a large aspect of world affairs.

**GERMAN AFTER-WAR PROBLEMS.** By Kuno Francke. Cambridge: Harvard University Press. \$1.50.

The foreword of the author, who has made many notable contributions to American and German letters, sums up this small volume very effectively: "The papers here collected reflect observations made during various visits to my native country in the years following the Treaty of Versailles; in 1920, when the effects of war and starvation were still visible everywhere; in 1923, when the Ruhr invasion and the inflation disaster seemed to be heading the country

## THE PRIZE-WINNING NOVEL OF 1927



### THE BLUE BODICE

by ANTOINE SORREL

A GRIPPING ROMANCE of the early days of the American Revolution, as viewed from the Court of France. Love and intrigue, war and heroism, all combined in this stirring novel of the amazing adventures of a war profiteer and she of the BLUE BODICE.

On Sale at All Good Book Dealers

\$2.00

THE WRITERS GUILD

80 Lafayette St. New York  
Phone Worth 4880



## ENCYCLOPEDIA OF RELIGIOUS CONTROVERSY

5c per Book

Joseph McCabe, scholar and rationalist, author of over 100 books, has written this amazing outline of religious controversy. His style is lucid and simple; "he is about the most learned man writing today," says a review. Every phase of this absorbing subject is covered in these 50 books.

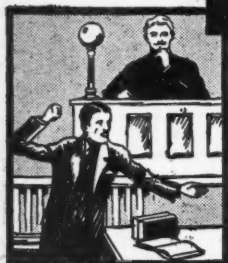
- |                                |                               |
|--------------------------------|-------------------------------|
| 1007 Revolt vs. Religion       | 1134 Inquisition Horrors      |
| 1008 Origin of Religion        | 1140 The Renaissance          |
| 1060 Futility of Belief in God | 1141 The Reformation          |
| 1059 Myth of Immortality       | 1142 Truth About Galileo      |
| 1030 World's Great Religions   | 1144 Jesuits: Rogues          |
| 1061 Origin of Morals          | 1145 The French Revolution    |
| 1066 Old Testament Forgery     | 1150 Churches & Progress      |
| 1076 Morals in Babylon         | 1203 Infidel U. S. Presidents |
| 1077 Morals in Egypt           | 1205 Paine vs. Bible          |
| 1078 Morals in Rome            | 1215 Ingersoll: Agnostic      |
| 1079 Sex in Religion           | 1211 Science vs. Religion     |
| 1084 Did Jesus Ever Live?      | 1218 Christian Philanthropy   |
| 1095 Sources of Morality       | 1224 Religion in Poets        |
| 1102 Pagan Christs             | 1229 Triumph of Materialism   |
| 1104 Myth of Resurrection      | 354 Christian Science         |
| 1107 Saints & Martyrs          | 1237 Scientists' Beliefs      |
| 1110 Christianity's "Triumph"  | 297 Do We Need Religion?      |
| 1121 Evolution vs. Dogma       | 1243 Failure of Missions      |
| 1122 Degradation of Woman      | 1248 Religious Lies           |
| 1127 Christianity & Slavery    | 366 Failure to Combat Crime   |
| 1128 Church & Schools          | 365 Religious Statistics      |
| 1130 Dark Ages                 | 841 Religion's Future         |
| 1132 Witchcraft Facts          | 439 12 Years in a Monastery   |
| 1137 Moorish Civilization      | 122 Spiritualism Debate       |
| 1136 Art & Churches            | 1020 Burbank Speaks Out       |

**HOW TO ORDER:** Your choice 5c each plus 1c per book for packing and carriage charge. All 50 books \$3 prepaid. Canadian and foreign price 7c per book. Catalog free on request.

HALDEMAN-JULIUS CO., Dept. S-131, Girard, Kansas

# LAW

**guarantees  
you success  
in business!**



## Be a LAWYER!

Perhaps you dream of writing "Attorney and Counsellor at Law" after your name, and practicing Law professionally. Even if you are handicapped by limited education, we can show you how others just like you, have passed their State bar "exams", and have built up a profitable practice—all thru the Reading and Reference method we tell you about here.

### 50 LEGAL AUTHORITIES!

Written by 50 leading lawyers for the business man, the beginner, the student—yet thousands of sets in use, as a reliable reference work, by noted attorneys. 12 big volumes bound in costly law-bookman, over 6,000 pages. Free, for a limited time, new volume 13 to match the set, containing 200 pages of standard legal forms. Also 25 pamphlets Free, of lectures and cases. All loaned free to any man who is interested.

AMERICAN TECHNICAL SOCIETY  
Dept. L6202 Drexel Ave. and 58th St.  
CHICAGO, ILL.



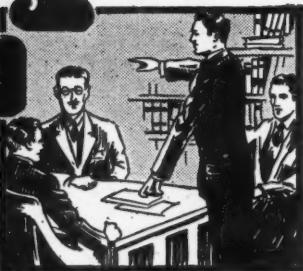
**LOANED FREE!**

American Technical Society, Dept. L6202  
Drexel Avenue & 58th Street, Chicago.

Tell me how I can learn Law in spare time at home, by new Reading and Reference Method. Ship on 15 days' free loan all 13 volumes and texts. I will pay the delivery charges only. If I wish I may return same within 15 days, charges collect, and owe you nothing.

But if I decide to keep them. I will pay \$2.00 at the end of the loan period, then \$3 a month until special advertising price of \$49.80 is paid. I attach letter stating employer's and reference's names and addresses.

Name .....  
Address .....



Whenever you buy or sell, if you own real estate or a business or even an auto—whether you get insurance or buy securities or make a contract—every way you turn in the world of business today you encounter **LEGAL** problems. This gives the man who **KNOWS LAW** a tremendous advantage—he can turn it into CASH like money in the bank. With it he can fill the top executive places, demand an enormous salary. Judge Gary, of "U. S. Steel" is one example of THOUSANDS who have climbed to dizzy heights through LAW.

### "LOOK IT UP—"

#### Don't keep it in your head

is the advice and practice of eminent lawyers and judges. And that's the basis of the new, **EASIER WAY** to learn LAW. Instead of years of grinding study and memorizing, we have developed a simple **READING** and **REFERENCE** METHOD, made possible by our remarkable **JIFFY INDEX**—which places the fact you seek instantly at your finger tips. So now you can get a working knowledge of law at home, in spare time, with no educational requirements. In the great **American Law Library** of 12 big volumes and 6,000 pages. Faster, and easier and at less cost, too.

#### Borrow a Set FREE!

See this gigantic work which condenses the essential facts of Law to usable, readable form and size, for the first time. Test for yourself the **Reading and Reference Method**, Supplemented by Consulting Service, FREE. Here is your best opportunity to break into LAW. Just mail the coupon

into chaos; in 1926, the year of Germany's entry into the League of Nations. These dates in themselves speak of the extraordinary recuperative power shown by the German people during these six years of poverty and distress. What some of the intellectual and moral forces were which made this remarkable advance toward national and international recovery possible I have tried briefly to set forth in this little book."

**QUEEN ELIZABETH.** By Sidney Dark. New York: George H. Doran Company. \$1.50.

"Empires have never been created by saints, though saints have sometimes endeavored to destroy them," observes Mr. Dark in the preface to his stimulating discussion of the character of England's greatest Queen:

"She was a woman of extraordinary ability, subtle understanding and dauntless courage, but for religion, as I understand it, she cared nothing and for morality, in any sense, she cared even less. That is the Elizabeth of history, the coarse-minded, coarse-tongued Tudor, who lied and swore like a trooper, and by the sheer force of unscrupulous genius made her country a great power." This short study, though not pretending to be an exhaustive treatment of the subject (the book is only 190 pages long), nevertheless by its very brevity and conciseness gives a vivid and sharply cut picture of Elizabeth's "spacious days."

**PASSAIC.** By Albert Weisbord. Chicago: Daily Worker Publishing Company. Pamphlet, 15 cents.

This is the story "of the struggle against starvation wages and for the right to organize," waged by the textile workers of Passaic, N. J., and retold by Albert Weisbord, who took the most prominent part in organizing the strike and was imprisoned for his activities. The chief significance of the strike lies in that it was a concerted effort of workers whom the American Federation of Labor considered impossible to organize and that it was, the author contends, accomplished by "Left Wing policies and tactics."

## Recent Important Books

By JAMES THAYER GEROULD

LIBRARIAN, PRINCETON UNIVERSITY

**ASPINALL, ARTHUR**—*Lord Brougham and the Whig Party.* Manchester (England) University, 1927. 18s.

A sketch of his career as a statesman and of the political life of his time. Best available biography.

**BAIN, H. FOSTER**—*Ores and Industry in the Far East* with a chapter on petroleum by W. B. Hervy. New York, Council of Foreign Relations, 1927. \$3.50.

Holds that the mineral wealth of Asia has been over-estimated.

**BURBANK, LUTHER, AND HALL, WILBUR**—*The Harvest of the Years.* Boston: Houghton, Mifflin, 1927. \$4.00.

An autobiographical record, completed from Burbank's own notes, after his death, by Mr. Hall.

**BYWATER, HECTOR C.**—*Navies and Nations: A Review of Naval Developments since the Great War.* Boston: Houghton, Mifflin, 1927. \$4.

**FREE!**

For a limited time, volume 13 of standard legal forms, and 25 case pamphlets.



An authoritative account of the development of navies and naval policy by an English writer.

CABOT, RICHARD C., ED.—*Goal of Social Work*. Boston: Houghton, Mifflin, 1927. \$2.50.

A series of essays by prominent social workers on the fundamental aims of their work.

DELAPLAINE, E. S.—*Life of Thomas Johnson*. New York: Hitchcock, 1927. \$5.00.

Johnson was a member of the Continental Congress, first Governor of Maryland and Associate Justice of United States Supreme Court.

FISHER, H. H.—*The Famine in Soviet Russia*. New York: Macmillan, 1927. \$5.00.

An account of the work of the American relief organizations.

HAMMANN, OTTO—*World Policy of Germany*. New York: Knopf, 1927. \$5.00.

By the Chief of the Press Division of the German Foreign Office, 1893-1917. Informative and interesting.

HILL, HOWARD C.—*Roosevelt and the Caribbean*. Chicago (University), 1927. \$2.50.

\*New light on Roosevelt's relations with the Central American countries.

HILL, SIR NORMAN, AND OTHERS—*War and Insurance*. New York: Oxford, 1927. \$2.50.

One of the volumes of the Carnegie Endowment's economic history of the war. Tréats

# YOURS WITHOUT EXTRA CHARGE 1927 ATLAS

To readers of Current History who take advantage of this offer now made in connection with  
**Webster's New International Dictionary**

## Universal Question Answerer

To Solve Question Games, Cross Word Puzzles, whatever your question, you will find the answer in the New International. It is used as the authority by puzzle editors.

## Words of Recent Interest

rotogravure, Flag Day, vitamin, fourth dimension, skid fin, Fascista, reaktor, overhead, soviet, Blue Cross, campfire girl, Esthonia, Devil Dog, broadcast. These are but a few from the thousands of late words—all clearly defined in this great work.



## The "Supreme Authority" The Merriam Webster—

A Complete Reference Library in Dictionary Form—with 3,000 pages and type matter equivalent to a 15-volume Encyclopedia, all in a single volume. India-Paper Edition in Rich, Full Red Leather or Government Test Tan Buckram Binding, also Regular Edition in strong Red Fabrikoid, can now be secured by readers of Current History on the following remarkably easy terms.

THE ENTIRE WORK (WITH 1927 ATLAS)  
**DELIVERED FOR \$1.00 with**

easy monthly payments thereafter (on approved orders in United States and Canada)  
**ON SUPERIOR INDIA PAPER**

**Reduced About ONE-HALF**

In Thickness and Weight as compared with the Regular Paper Edition

### India-Paper EDITION

Printed on thin, opaque, strong, superior India Paper. It has an excellent printing surface, resulting in remarkably clear impressions of type and illustrations. What a satisfaction to own the new Merriam Webster in a form so light and so convenient to use! This edition is only about one-half the thickness and weight of the regular edition. Size 12% in. x 9% in. x 2% in. Weight, 8% lbs.

### Regular Paper EDITION

Printed on strong book paper of the highest quality. Size 12% in. x 9% in. x 5% in. Weight, 17 lbs. Both editions are printed from the same plates and indexed.

Over 408,000 Vocabulary Terms, and, in addition, 12,000 Biographical Names, nearly 32,000 Geographical Subjects, besides thousands of other References. 3,000 Pages. Over 6,000 Illustrations. Constantly improved and kept up to date.

To those who mail this coupon at once!

G. & C. Merriam Co. Home Office Springfield, Mass.  
Dept. S.

Publishers of Genuine Webster Dictionaries for Over 82 Years.

Please send me free of all obligation or expense complete information including "125 Interesting Questions" with references to their answers, striking "Facsimile Color-Plate" of the new bindings, specimen pages of India and Regular paper with terms of your Atlas offer on Webster's New International Dictionary to Current History readers. (9-27)

Name.....

Address.....

"To have this work in the home is like sending the whole family to college." The only dictionary with the new Divided Page, characterized as "A Stroke of Genius."

## The Atlas

Is the 1927 "New Reference Atlas of the World," containing 164 pages. Maps are beautifully printed in colors, including changes brought about by the Great War, New Census figures, Parcel Post Guide, etc., all handsomely bound in red cloth, size 9% x 12% inches.

# Home-Study Courses that Lead to Business Careers

**C** Do you want an important, high-salaried position? You can have one if you can do the work. LaSalle experts will show you how, guide you step by step to success and help solve your personal business problems thru the time-saving LaSalle Problem Method. Our salary-increasing plan enables you to prepare during your spare hours, without interference with your present duties. Simply mark on the coupon the field in which you desire success, and we will mail you a valuable book describing the opportunities in that field, together with an outline of our salary-increasing plan. Also copy of "Ten Years' Promotion in One." There is no cost or obligation. Find out how the salary-increasing plan starts average men and women on the high road to success and financial independence. Check and mail the coupon NOW.

Find Yourself Thru LaSalle

**LA SALLE EXTENSION UNIVERSITY**  
The World's Largest Business Training Institution  
Dept. 9392-R Chicago

Tell me about your salary-increasing plan as applied to my advancement in the business field checked below. Send also copy of "Ten Years' Promotion in One," all without obligation.

- ☐ Business Management
- ☐ Modern Salesmanship
- ☐ Higher Accountancy
- ☐ Traffic Management
- ☐ Railway Station Management
- ☐ Law—Degree of LL.B.
- ☐ Commercial Law
- ☐ Industrial Management
- ☐ Banking and Finance
- ☐ Modern Business Correspondence and Practice

- ☐ Modern Foremanship
- ☐ Personnel and Employment Management
- ☐ Expert Bookkeeping
- ☐ Business English
- ☐ Commercial Spanish
- ☐ Effective Speaking
- ☐ C. P. A. Coaching
- ☐ Stenotypy



Name .....

Present Position .....

Address .....

## SHORT STORY WRITING



Dr. Esenwein

One pupil won a \$2000 prize. Another pupil earned over \$5000 in spare time. Hundreds are selling constantly to leading publishers.

Particulars of Dr. Esenwein's famous forty-lesson course in writing and marketing of the Short-Story and sample copy of THE WRITER'S MONTHLY free. Write today.

**The Home Correspondence School**  
Dept. 43 Springfield, Mass.

## Learn Photography at HOME

Make money taking pictures. Prepare quickly during spare time. Also earn while you learn. No experience necessary. New easy method. Nothing else like it. Send at once for free book, *Opportunities in Modern Photography* and full particulars.

**AMERICAN SCHOOL OF PHOTOGRAPHY**  
Dept. 1866, 3601 Michigan Ave., Chicago, U. S. A.

## High School Course in 2 Years

You can complete this simplified High School Course at home inside

two years. Meets all requirements for entrance to college and the leading professions. This and thirty-six other practical courses are described in our Free Bulletin. Send for it TODAY.

**AMERICAN SCHOOL** ©1924 A. S.  
Dept. H-6216 Drexel Ave. & 58th St. CHICAGO

of the effect of the war on all types of insurance.

HIRST, F. W.—*Safeguarding and Protection in Great Britain and the United States*. New York: Macmillan, 1927. \$2.75.

A restatement of the theory of preferential and protective tariffs.

HOBSON, J. A.—*The Conditions of Industrial Peace*. London: Allen, 1927. 4s 6d.

Advocates State intervention in industrial disputes.

KELLER, A., AND STEWART, G.—*Protestant Europe; Its Crisis and Outlook*. New York: Doran, 1927. \$3.50.

Deals with the progressive weakening of the Protestant Churches.

LAIDLER, HARRY W.—*History of Socialist Thought*. New York: Crowell, 1927. \$3.50.

A textbook, adapted as well for the general reader.

McFALL, ROBERT J.—*The World's Meat*. New York: Appleton, 1927. \$6.00.

Discusses its food value, its production and distribution.

MAYER, JOSEPH—*The Seven Seals of Science*. New York: Century, 1927. \$3.50.

A popular history of science.

MENDELSSOHN-BARTHOLDY A. — *The European Situation*. New Haven: Yale University, 1927. \$2.00.

Lectures at the Williams College Institute of Politics by a member of the German Peace Delegation at Versailles.

MOWAT, R. B.—*History of European Diplomacy 1914-25*. Longmans. \$6.25.

A clearly written account for the general reader rather than for the scholar.

OWEN, ROBERT L.—*The Russian Imperial Conspiracy*. New York: Boni, 1927. \$2.00.

An attempt to shift the responsibility for the war from Germany's shoulders to those of the Allies.

RICE, THURMAN B.—*The Conquest of Disease*. New York: Macmillan, 1927. \$4.00.

A popularly written but authoritative review of our progress in controlling transmissible diseases.

RYAN, JOHN A.—*Declining Liberty and Other Papers*. New York: Macmillan, 1927. \$4.

Essays on political, social and economic subjects by a professor in the Catholic University at Washington.

SNEDDEN, DAVID—*What's Wrong with American Education?* Philadelphia: Lippincott, 1927. \$2.00.

A critique of the aimlessness and formalism of our educational system.

WARNE, C. E.—*The Consumers' Cooperative Movement in Illinois*. Chicago University, 1927. \$3.50.

A record of success and failure, largely failure.

WESLEY, CHARLES H.—*Negro Labor in the United States, 1850-1925*. New York: Vanguard, 1927. \$0.50.

A statistical and social survey of the development of negro labor by a professor at Howard University.

# TO AND FROM OUR READERS

## THE WAR DEBT CONTROVERSY

Conrad Clothier Lesley, author of the article on war debts in the July issue, sends the following refutation of a letter of criticism from R. H. Blain published in the August number:

(1.) Page 590, Paragraph 3. No mention was made nor inferred that Britain's advances to her allies were less than American advances to Britain. The statement was that American advances to the allied and associated nations were much greater than British advances to her allies and associates. No one conversant with the subject of interallied debts has attempted to deny this fact, as official records of the British and American Governments prove it beyond the shadow of a doubt.

(2.) Page 590, Footnote 5. The comparison is justified as it compares recoverable debts due the United States from the thirteen countries with which refunding agreements have been made with recoverable debts due Britain from her allies according to refunding agreements entered into and expectations of the British Exchequer.

Country	Principal Amount of Debts* in Sterling	Per Cent. Recoverable	Amount Recoverable in Sterling
France .....	583,992,000	44.18	258,008,000
Italy .....	503,060,000	18.74	94,273,000
Russia .....	655,199,000	None	None
Yugoslavia ..	24,885,000	Most optimistic expectations of British Exchequer are for 50% of total	44,053,000
Rumania .....	22,190,000		
Greece .....	21,498,000		
Portugal .....	19,444,000		
Poland .....	88,000		
Total .....	1,830,356,000		396,334,000

(At \$4.87)....\$1,930,000,000

\*The "percentages recoverable" are established by the relation of the present worth at 4½ per cent. compound interest (as for the American figures) of the series of payments contemplated in the debt-refunding treaty with Italy of Jan. 27, 1926, and in the unratified treaty with France to the amounts of the Italian and French debts when refunded. Commercial obligations to Britain are excluded, as they were placed in a separate category from war debts, and no intention was manifest by the British Government to refund them. Payments have been made on them by the various Governments, excepting Austria (granted moratorium of twenty years) and Armenia (no longer a separate entity). Belgium, Belgian Congo, Czechoslovakia, Estonia, France, Greece, Hungary, Latvia, Poland, Rumania and Yugoslavia are paying in accordance with the original terms of indebtedness.

(3.) The statement is reconciled with the statements made by Mr. Mellon and the writer as Britain will receive more on her claims with a present value of \$1,930,000,000 for classified war debts, plus classified commercial debts advanced by the British Exchequer through the Bank of England plus reparations from Germany, than she will pay the American Treasury as shown in the attached table:

1924-25 .....	\$56,196,000	1930-31 .....	\$44,056,000
1925-26 .....	43,376,000	1931-32 .....	45,953,000
1926-27 .....	2,472,000	1932-33 .....	35,188,000
1927-28 .....	16,180,000	1933-34 .....	23,348,000
1928-29 .....	71,107,000	1934-35 .....	7,565,000
1929-30 .....	16,786,000	1935-36 .....	28,685,000

These figures only include payments due and

# Why Don't You Use This Easy Shorthand?



One executive writes: "It is like having a private secretary always at hand."



Clergymen find Speedwriting invaluable for preparing sermons, research work and study.



"I had used another System of Shorthand for two years, but my work never satisfied me. When I changed to Speedwriting, the former difficulties disappeared. I have secured a better position with splendid future prospects." — Grace Mallon.



"After 15 hours' study of Speedwriting I could take dictation at 90 words per minute. Almost at once I got a better position and more salary!" — Thomas McCabe.

It is helping thousands in every walk of life

EVERYWHERE you hear people talking about this amazing shorthand. So easy to learn, so practical and accurate that growing thousands in every field of activity are using it. Busy executives use it personally. Professional men and women, lawyers, physicians, writers, clergymen, teachers, students are loud in their praise.

It is a boon to young people just starting their business careers. Just a little spare time at home fits you for a stenographic position. Even experienced stenographers are giving up their old systems for this newer one.

**Speedwriting**  
The NATURAL SHORTHAND

You write this modern shorthand as easily as you write longhand. You use the same letters of the alphabet you have been accustomed to writing all your life. There is no tedious memorizing of puzzling signs and symbols. No practice is required to write it, for your hand is already trained to write the letters of the alphabet. You can quickly acquire a speed of 80 to 120 words per minute with pen or pencil; you can use Speedwriting on the typewriter, too, at the rate of 200 words per minute.

## Send for This Free Book

Whatever your occupation, you should get the facts about Speedwriting. Read how it is helping others in your particular field. The Speedwriting booklet is free.

Brief English Systems, Inc.,

Dept. 46J

200 Madison Ave., New York City

Also Offices at: 1415  
Royal Bank Building,  
Toronto, Canada,  
and Transport  
House, Smith  
Square, West-  
minster, Lon-  
don, England.

FREE  
Book

Coupon

Please send me Speedwriting book, free.

Name.....

Address.....

City..... State.....

Brief  
English  
Systems, Inc.,  
Dept. 46J,  
200 Madison Ave.,  
New York, N. Y.



## Read Without Buying

**RARE**, Scarce, Out-of-Print Books; Limited and Subscription Editions; Reprints and Translations of Famous Classics; and Extraordinary New Books of All Leading Publishers.

Books are constantly being added to the Library, at the suggestion of Members.

We invite the interest of readers throughout the United States who wish to avoid the investment necessitated by personal ownership of expensive books.

When writing for information and list of books, kindly give occupation or profession.

**Esoterika Biblion Society, Inc.**

45 West 45th Street, Dept. E-2, New York City

## TYPEWRITER PRICES CUT

World's best makes—Underwood, Remington, Oliver—prices smashed to almost half.  
**\$2 and it's yours**



All late models, completely rebuilt and re-finished brand new. GUARANTEED for ten YEARS. Send no money—big FREE catalog shows actual machines in full colors. Get our direct-to-you easy payment plan and 10-day free trial offer. Limited time, so write today. International Typewriter Ex., 186 W. Lake St. Dept. 918, Chicago.

## EARN PROMOTION AND COLLEGE CREDIT

through the  
**HOME-STUDY COURSES**

in 40 different subjects given by  
**The University of Chicago**

225 Ellis Hall, University of Chicago, Chicago, Ill.

## LAW STUDY AT HOME

Become a lawyer. Legally trained men win high positions and big success in business and public life. Be independent. Greater opportunities now than ever before. Big corporations are headed by men with legal training. Earn \$5,000 to \$10,000 Annually. We guide you step by step. You can train at home during spare time. Degree of LL.B. conferred. LaSalle students found among practicing attorneys of every state. We furnish all text material, including fourteen-volume Law Library. Low cost, easy terms. Get our valuable 108-page "Law Guide" and "Evidence" books FREE. Send for them NOW. LaSalle Extension University, Dept. 9392-L, Chicago. The World's Largest Business Training Institution

## Make Money in Photography

In a splendid position or a business of your own. Wonderful opportunities in all branches of this modern, artistic profession; Motion Pictures, Commercial, Portraiture, News. Experts train you quickly. CAMERA included. Write today for big Free Booklet.

**NEW YORK INSTITUTE OF PHOTOGRAPHY**  
Dept. 116 10 West 33rd Street, NEW YORK CITY  
Largest and Best School of Its Kind.

## Alaskan Choice Raw Furs

Old Ivory Beads Indian Curios

Genuine Willow Root Fancy Baskets

From the Lair of Quality

**Vance R. McDonald, Fairbanks, Alaska**

## REAL HARRIS TWEED

The aristocrat of Tweed for Golf and Outdoor Wear—direct from makers. Samples free. Cut lengths by post. Postage paid.  
**NEWALL, 144 Stornoway, Scotland.**

expected from France, Italy and Germany for war debts reparations, war stocks and Bank of England receipts for war advances to the first two mentioned countries, less gold returned to France and Italy. In addition to these positive balances (with the exception of the first two years now passed), Britain receives annual payments from the other Governments listed under Item 2 on account of relief credits, sale of war materials, other stores and supplies and for repatriation of prisoners as well as payment on war loans to her dominions and colonies, including Australia, New Zealand, South Africa, Newfoundland, Trinidad, Jamaica and Fiji.

Page 590, Footnote 6. Records of the British Exchequer and American Treasury as well as numerous statements made by Americans in charge of the actual granting of credits and by British officials handling American credits conclusively prove my statement. Lord Balfour was endeavoring to secure the best terms obtainable for his Government, which is the duty of public servants. Either the ends were worth the risk of detection in his estimation or it is quite possible that he believed what he said at the time. Whether one or the other was the case is immaterial, as it unjustly prejudiced European debtor nations against the United States as evidenced in their press at that time. It is said by those unacquainted with the facts that because British sterling (not dollars as you misquote) advances to the Allies roughly equalled the dollars Great Britain borrowed from the United States, she would not have had to borrow these American dollars unless she advanced British sterling. This reasoning is entirely false as regards facts and fundamentals in economics. Britain required dollar credits in the American market to pay for dollar purchases, and sterling was of no use for this purpose. It should also be remembered in this connection that, if sterling had not been pegged entirely by means of dollar credits the purchasing power of sterling advanced by the British Government to its allies would have been greatly reduced and the amount of sterling loans would have been correspondingly increased. You must remember that Britain did not loan dollars but sterling to her allies, consequently it was not American dollars she advanced but British pounds. In like manner she did not pay for British goods with dollars but with pounds, nor did she pay for services and goods from neutrals with dollars but with the currencies of neutral countries procured by the sale of sterling, neutral bonds and borrowed American dollars.

(5.) The statement on Page 591 regarding the British-French and other similar methods of pooling in vogue between the various allies before our entry is not meaningless as the policy in force between these two countries as well as identical methods used between the other allies were used as premises to arrive at that conclusion. These methods did not consider that Britain had only a small expeditionary force under General French in 1914, that the Dardanelles and Salonika campaigns were not directly aimed to defeat the Central Powers but to protect India and Egypt from internal revolutions and so retain them under British control, but were purely a financial arrangement between the Allies for their mutual benefit. This benefit was denied the American Government. The military efforts of the individual nations had no bearing on the system of reciprocity of currencies between each other,

why try to apply it to this country when it was not used nor suggested by the others?

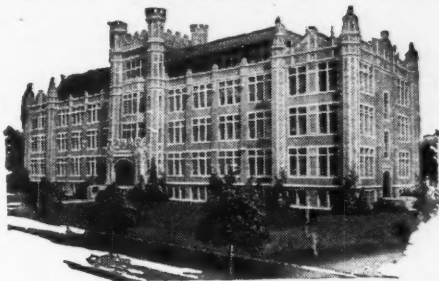
(6.) Page 592, Footnote 11. Space did not permit proof being submitted. All that is necessary for skeptics, having an altruistic conception of European diplomacy before, during and after the war, is to study history from official documents of those nations. Many of these have been printed through popular demand but those kept secret would expose many a ghastly skeleton in chancellory closets. The United States declared war on Germany, was a victor and justly claimed damages for pre-war damages incurred by German action, but it did not claim reparations for war costs as did the other nations, except for the Army of Occupation, which occupied the Coblenz area at the request of the Allies and not through any wishes of its own.

(7.) Page 593. Four and one-quarter per cent. is the only figure of value in this case, as it was the cost of indebtedness to the American Treasury for war obligations when the British refunding was negotiated. Actuaries and economists are not prophets but must base their opinions on past records. The fact that this country has enjoyed an unprecedented era of prosperity since that time could not be foretold. The cost of money because of that prosperity has dropped considerably in this country, but the total cost for war indebtedness to the Treasury, including 3% per cent. and other low yielding bonds, is nearly 4 per cent. at the present time. It should be remembered that money rates at the time the advances were made were considerably higher in the American private market for foreign loans than the 5 per cent. Government advances. Money in the Allies' own countries was at a higher figure still. Interest was not charged on war advances as stipulated by their bonds and I. O. U.'s, but greatly reduced, and in some cases no interest is being charged at all. The American Treasury is paying it from American taxation.

(8.) Page 593. Britain did have money to pay for purchases in this country and had sufficient dollar holdings to do so. British investments in American bonds and stocks, together with her other holdings here, were equal to or greater than her total American net purchases. Had the British Government issued bonds to British holders of American securities and property in exchange for them and then sold these on the American market, more than sufficient funds would have been provided to meet her negative trade balance with the United States. But by this method profit-producing securities of a foreign country would have left Britain, and her debt to her people would have been increased instead of creating a debt to this nation, which might possibly be cancelled or reduced. I have not endeavored to blame them for their actions, it was natural; but it was and will be for the next fifty-seven years a burden to the American taxpayer.

(9.) Britain borrowed \$48,000,000 from the American Treasury to pay for transportation services rendered by this country, but we paid cash to the British Government for nearly double that amount for similar services rendered by Britain. In keeping with the policy of reciprocity used by the other Allies, both should have been done on a credit basis or both should have been paid for by cash, not through borrowed credits, which might be evaded or cancelled. The "but" and "cash" are in keeping with the facts, as Britain re-

Continued on Page xxiv.



## Go to High School at Home

You can secure a high school education right at home by studying the splendid new courses recently prepared by the International Correspondence Schools.

These courses are equivalent to the courses given in resident high schools. They have been specially arranged for men and women who wish to meet college entrance examinations, to qualify for a business position, or to make up the education they missed when forced to leave school too soon.

The College Preparatory Course, the High School Commercial Course and the High School English Course include English, algebra, ancient, medieval, modern and U. S. History, physiology, literature, geography, Latin, bookkeeping, drawing, geometry, shorthand, physics, chemistry, salesmanship, advertising, civics, trigonometry, economics, American business law, corporation finance, money and banking, business and trade economics, etc. A diploma is given at graduation.

The lessons are easy to understand and you will make rapid progress because you will be in a class by yourself and you will study under the guidance of instructors who are sincerely interested in helping you to get ahead and achieve the bigger things of life.

Just mark and mail the coupon and we will gladly send you interesting free booklets describing the High School Courses of the International Correspondence Schools or any other subject in which you are interested.

### INTERNATIONAL CORRESPONDENCE SCHOOLS

Box 4854-D, Scranton, Penna.

Without cost or obligation, please tell me how I can qualify for the position or in the subject before which I have marked an X:

- ☐ College Preparatory Course
- ☐ High School Commercial Course
- ☐ High School English Course
- ☐ High School Vocational Course
- ☐ High School Agricultural Course

- |  |   |
|--|---|
| <input type="checkbox"/> Business Management                     | <input type="checkbox"/> Salesmanship                                     |
| <input type="checkbox"/> Industrial Management                   | <input type="checkbox"/> Advertising                                      |
| <input type="checkbox"/> Traffic Management                      | <input type="checkbox"/> Better Letters                                   |
| <input type="checkbox"/> Business Law                            | <input type="checkbox"/> Show Card Lettering                              |
| <input type="checkbox"/> Banking and Banking Law                 | <input type="checkbox"/> Stenography and Typing                           |
| <input type="checkbox"/> Accountancy (including C.P.A.)          | <input type="checkbox"/> English  |
| <input type="checkbox"/> Nicholson Cost Accounting               | <input type="checkbox"/> Civil Service                                    |
| <input type="checkbox"/> Bookkeeping                             | <input type="checkbox"/> Railway Mail Clerk                               |
| <input type="checkbox"/> Private Secretary                       | <input type="checkbox"/> Common School Subjects                           |
| <input type="checkbox"/> Spanish <input type="checkbox"/> French | <input type="checkbox"/> Illustrating <input type="checkbox"/> Cartooning |

### TECHNICAL AND INDUSTRIAL COURSES

- |   |  |
|---|--|
| <input type="checkbox"/> Electrical Engineering | <input type="checkbox"/> Architect                                   |
| <input type="checkbox"/> Electric Lighting      | <input type="checkbox"/> Architects' Blueprints                      |
| <input type="checkbox"/> Mechanical Engineer    | <input type="checkbox"/> Contractor and Builder                      |
| <input type="checkbox"/> Mechanical Draftsman   | <input type="checkbox"/> Architectural Draftsman                     |
| <input type="checkbox"/> Machine Shop Practice  | <input type="checkbox"/> Concrete Builder                            |
| <input type="checkbox"/> Railroad Positions     | <input type="checkbox"/> Structural Engineer                         |
| <input type="checkbox"/> Gas Engine Operating   | <input type="checkbox"/> Chemistry <input type="checkbox"/> Pharmacy |
| <input type="checkbox"/> Civil Engineer         | <input type="checkbox"/> Automobile Work                             |
| <input type="checkbox"/> Surveying and Mapping  | <input type="checkbox"/> Airplane Engines                            |
| <input type="checkbox"/> Metallurgy             | <input type="checkbox"/> Navigation                                  |
| <input type="checkbox"/> Steam Engineering      | <input type="checkbox"/> Agriculture and Poultry                     |
| <input type="checkbox"/> Radio                  | <input type="checkbox"/> Mathematics                                 |

Name.....

Street.....

Address.....

City..... State.....

# CURRENT HISTORY

Vol. XXVI

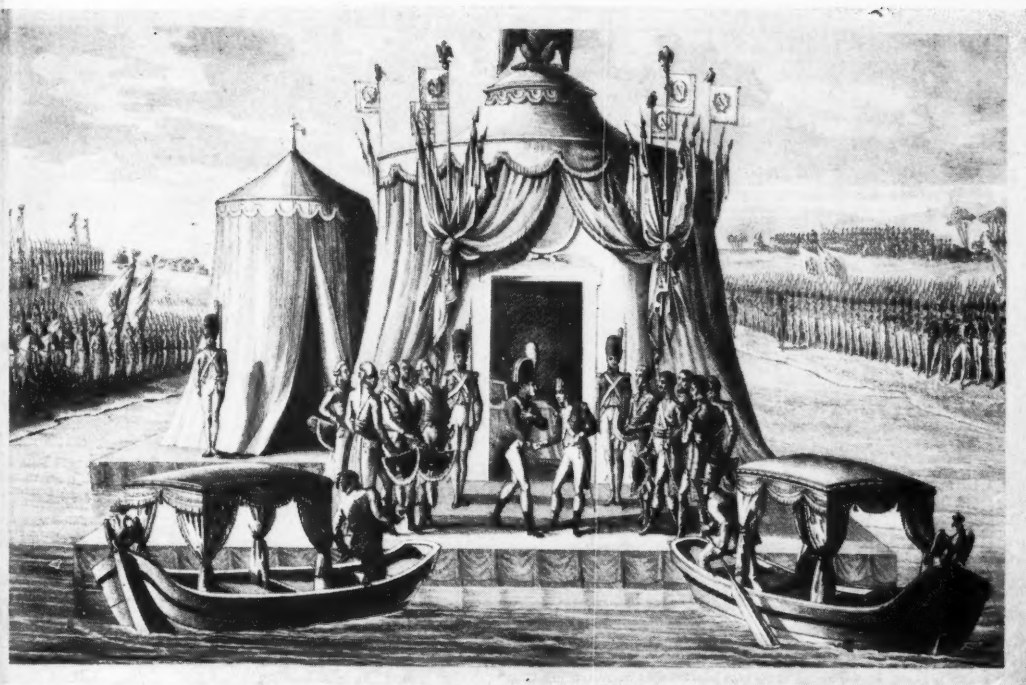
September, 1927

No. 6

## I—LATIN AMERICA TODAY: A SYMPOSIUM

- RELATIONS BETWEEN THE UNITED STATES AND LATIN AMERICA SINCE 1898.  
Charles Wilson Hackett 833  
*Professor of Latin-American History, University of Texas*
- BILLIONS OF OUR CAPITAL INVESTED IN LATIN AMERICA..Harry T. Collings 848  
*Professor of Economics, University of Pennsylvania*
- LATIN AMERICA'S GROWING FINANCIAL STABILITY.....William E. Dunn 854  
*Former Director General of Internal Revenue of Haiti*
- THE BASIS OF AMERICAN INTERVENTION IN THE CARIBBEAN.Dana G. Munro 857  
*Officer of the Latin-American Division, U. S. Department of State*
- LATIN-AMERICAN NATIONS' FAILURE TO ATTAIN UNITY.....Carleton Beals 862  
*Special Writer on Latin America*
- INFLUENCE OF THE UNITED STATES ON CENTRAL AMERICAN PROGRESS.....  
William Jennings Price 871  
*Former United States Minister to Panama*
- THE MONROE DOCTRINE AS AN OBSOLETE PRINCIPLE....Samuel Guy Inman 875  
*Executive Secretary, American Section, Committee on Cooperation in Latin America*
- "DOLLAR DIPLOMACY" IN LATIN AMERICA.....Henrik Shipstead 882  
*Member of the Foreign Relations Committee of the United States Senate*
- SHALL WE FORM A LEAGUE OF AMERICAN NATIONS?.....Irving T. Bush 888  
*Former President of the Chamber of Commerce of New York State*
- STEPS TOWARD LATIN-AMERICAN SOLIDARITY.....Baltasar Brum 893  
*Former President of Uruguay*
- DANGERS LATENT IN U. S. LATIN-AMERICAN POLICY.....Manuel Ugarte 897  
*South American Nationalist Leader*
- THE NEW UNDERSTANDING BETWEEN THE UNITED STATES AND LATIN AMERICA .....Sebastiao Sampaio 902  
*Consul General of Brazil, New York*
- THE TWO SIDES OF MEXICAN NATIONALISM.....Moises Saenz 908  
*Mexican Under-Secretary of Education*
- THE "PEACEFUL PENETRATION" OF CENTRAL AMERICA.....Vicente Saenz 913  
*Central American Editor and Publicist*
- A CENTRAL AMERICAN INDICTMENT OF THE UNITED STATES..Mario Ribas 919  
*Editor of Renacimiento, Tegucigalpa, Honduras*
- CUBA'S CASE FOR THE REPEAL OF THE PLATT AMENDMENT—THE VIEWS OF PRESIDENT MACHADO.....Rafael Rodriguez Altunaga 925  
*Counselor of the Cuban Embassy, Washington*
- LABOR ORGANIZATION IN LATIN AMERICA.....Santiago Iglesias 928  
*Secretary, Pan-American Federation of Labor*
- LATIN AMERICA EVOLVING A DISTINCTIVE CIVILIZATION.Ernesto Montenegro 933  
*Editor of "Chile," New York City*
- THE LATIN-AMERICAN SPIRIT IN LITERATURE.....Isaac Goldberg 938  
*Authority on Latin-American Literature*





## Where two men remade the map of Europe



Rand McNally Indexed Pocket Maps are indispensable to travelers. They show the best routes of travel—by rail, water, road, and air—everywhere. They show every place that has a name, giving complete knowledge of surroundings. Separate maps are available for Continents, Countries, States, Provinces, and Territories. Folded to convenient pocket size, 35c or 50c at leading booksellers', stationers', newsstands, and druggists.

### Rand McNally Maps for every purpose

School Maps      Climatic Maps  
Auto Road Maps      Economic Maps  
Political Maps      Linguistic Maps  
Commercial Maps      Historical Maps  
Radio Maps      Mileage Maps  
Population Maps      City Guide Maps  
Special maps to order

ON June 25, 1807, Napoleon and Alexander I of Russia met on a raft in the River Niemen and divided up several portions of Europe between them.

Though the changes they agreed on proved not to be permanent, every map of Europe made since that date in some measure bears witness to this event.

Even the Great War did not quite obliterate its influence. For the Treaty of Versailles, in making Danzig a free city once again, found its precedent here.

It is thus that the map of any continent becomes at once the summary and monument of its past.

Hardly a border line exists on any representation of Europe that is not suggestive of just some such incident as the famous meeting pictured in the old print reproduced above.

Hardly a place name that does not call to mind some fascinating

chapter from history, literature or travel.

An evening with an atlas is a cruise by lamp light to distant lands, a review of history, a pageant of heroes and heroic deeds.

What book more entertaining, more profitable to read? What book constitutes so inexhaustible a source of intellectual recreation?

You can take up an atlas over and over again and each time follow a different course through its pages.

Either an atlas or a globe should hold an important place in every private library.

Rand McNally Maps, Globes, and Atlases are always scientific, accurate, up to date. Obtainable at leading booksellers' and stationers' or direct.

The habit of scrupulous accuracy down to the last detail required in the making of maps extends to all Rand McNally & Company's greatly varied activities.

## RAND McNALLY & COMPANY

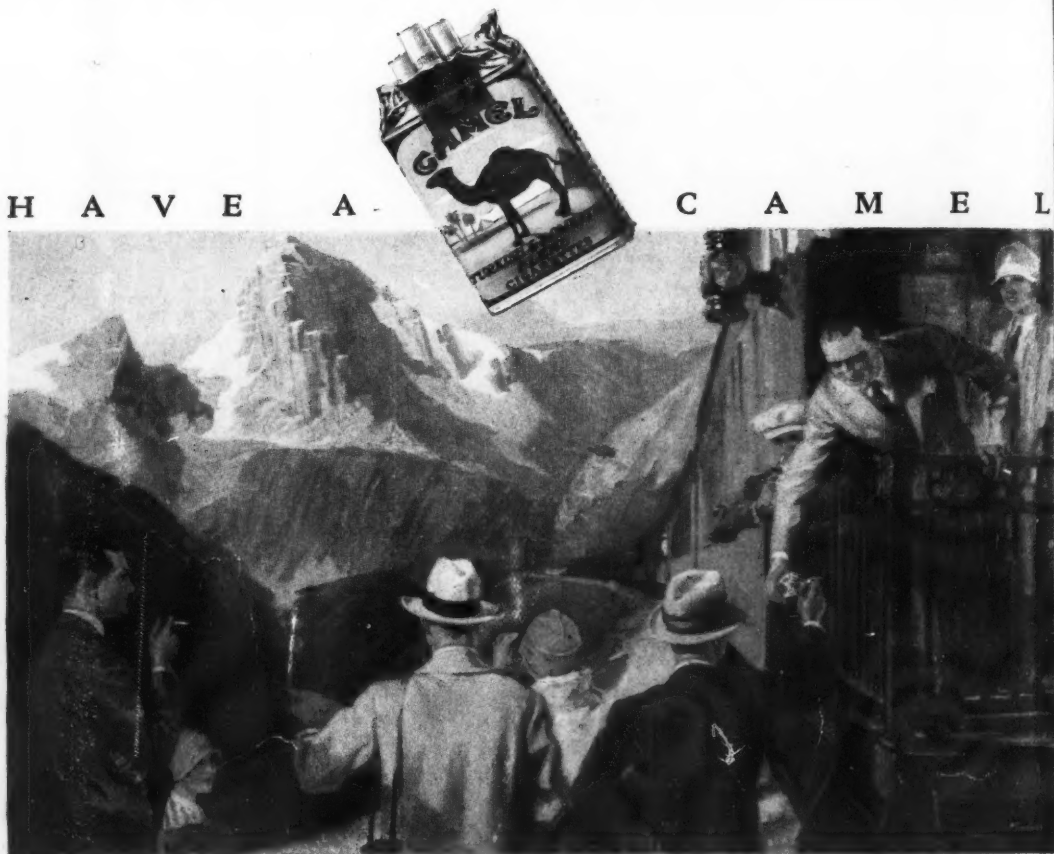
### Map Headquarters

Dept. I-9

536 S. Clark Street, Chicago      270 Madison Avenue, New York  
Washington      San Francisco      Los Angeles

H A V E A

C A M E L



## *On the heights of contentment . . .*

MODERN smokers have in Camel such tobaccos and blending as were never offered in cigarettes before, regardless of price. Camels may be had everywhere—because they please the taste of smokers everywhere. Money cannot buy choicer tobaccos than you get in this famous cigarette, and the blend is so mellow and smooth that there is never a tired taste, no matter how many you may choose to light.

The producers of Camel, the country's largest tobacco organization,

concentrate all their purchasing and manufacturing resources in this one brand of cigarettes. Into it goes their undivided pride and skill to produce such a smoke as the world has never known before.

The result of Camel's quality is its leadership among cigarettes. Modern smokers, won by its choice tobaccos, by its ever-dependable taste and fragrance, have awarded it first place. You're invited to modern smoking enjoyment.

*"Have a Camel!"*

R. J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N. C.

L